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TENSIONS IN EAST CENTRAL EUROPE

April, 1959

Our April issue focuses on the foreign policy of East Central Europe in view of the crisis over Berlin and Soviet proposals to demilitarize the area. Articles include:

THE STRATEGIC IMPORTANCE OF EAST CENTRAL EUROPE by *Norman A. Graebner*, Associate Professor of History, University of Illinois, and author of *The New Isolationism*;

CZECHOSLOVAKIA'S FOREIGN POLICY by *V. E. Mares*, Associate Professor of Economics, Pennsylvania State University;

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FINNISH FOREIGN POLICY by *John H. Wuorinen*, Professor of History, Columbia University;

POLAND'S DILEMMA OF POLICY by *Huey Louis Kostanick*, Associate Professor of Geography, University of California at Los Angeles.

FRANCE AND THE FIFTH REPUBLIC

Coming May, 1959

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Current History

Vol. 36

MARCH, 1959

No. 211

Because the world looks to India for an answer to Communist influence in general and the Chinese Communist challenge in particular, this issue is devoted to a study of India's development as a world power and an industrial power. Our introductory article traces the development of India's relations with the United States. Significantly, "differences between the United States and India are so numerous that they sometimes tend to overshadow the basic bonds that exist between the most powerful and the most populous of the world's democracies."

India and the United States: Maturing Relations

BY NORMAN D. PALMER

Professor of Political Science, University of Pennsylvania

ON January 3, 1959, a new American embassy was dedicated in the diplomatic enclave outside of New Delhi. Designed by Edward D. Stone, who also designed the American building at the Brussels' International Exhibition, it is an impressive rectangular, windowless, two-story structure with marble lattice work, an inner wall of glass, a flat roof, and an extensive underground section.

Indian reactions to the new center of official American activities in India were as mixed as the reactions to United States foreign policy generally. Some regarded it as a great compliment that "the most pretentious embassy ever built by the United States" should be located in India, while others expressed the view that such magnificence was out of place in a land of hungry millions. Many commentators saw a symbolic significance in the location of the new embassy, between lots assigned to the Soviet Union and Communist China on a street whose name—Panch Shed Marg—is already being loosely translated as the street of peaceful co-existence. A few observers were impressed by the relative speed of the American construction effort, as contrasted with

the Russian embassy which will not be completed for several months and the Chinese embassy which has not even been started at this writing.

The dedication of a magnificent new American embassy in the capital of India is testimony to the importance of the relations between the two countries, and to their prominent roles in world politics. For both the United States and India the postwar years have been eventful ones. The United States has become the most powerful nation of the non-Communist world, with growing commitments and responsibilities at a time when relations with the Soviet Union have become so tense as to raise doubts of the possibility of peaceful co-existence and when these unhappy relations are even more disturbing because of the startling developments in nuclear energy and destructive power.

India, after decades of foreign rule and nationalist agitation, has achieved independence, at the cost of partition, and has embarked on a fateful struggle to make that independence meaningful for the masses of its people in the face of internal difficulties and external pressures that place its future in jeopardy. Although it is now a weak

nation, it plays a role in world affairs far out of relation to its actual power. It is the most populous of the non-Communist states, and the most important underdeveloped nation outside the Communist orbit. It is the leading spokesman of the "uncommitted world," and of the Asian-African Group in the United Nations. Its policy of non-alignment, while much criticized in the United States, gives it a greater freedom of movement, flexibility of policy, and influence in international affairs than it would have if it were associated closely with any power constellation.

Nearly 15 years after the end of World War II the United States and India are still growing in strength and confidence; but in some respects their influence in world affairs has decreased. The position of the United States is less dominating because of the relative increase in the economic and military strength of the Communist giants—chiefly the Soviet Union but now to a growing extent Communist China as well—and because of the greater independence of other non-Communist states, notably Western Germany, DeGaulle's France, and an increasing number of newly-independent states. Moreover, the United States no longer has a monopoly of nuclear weapons, and it is facing ever-stiffening competition from the Soviet Union in the underdeveloped areas of the world.

India has been forced to concentrate on internal problems, raising basic questions of national unity and economic viability. It is experiencing great difficulty in its efforts to mobilize sufficient internal and external resources to enable it to carry out even the "core" projects of the Second Five Year Plan. Its position among the underdeveloped and newly-independent states is by no means as preeminent as it was a few years ago. As *The Economist* observed on August 16, 1958: "The importance of India has been reduced. When Nehru alone was interpreting the underdeveloped world, his every word had to be listened to. Now there are Nasser's deeds to watch, and Nehru for his part cannot suddenly generate a whole new series of dogmas—Asia and Africa do not change that rapidly; what he has to say is now familiar, and there is no quicker way to drop out of the headlines."

Differences between the United States and India are so numerous that they sometimes tend to overshadow the basic bonds that exist between the most powerful and the most populous of the world's democracies. There are differences in social, political, and economic outlook as well as in policies on specific issues of foreign relations. In too many instances each country feels that the other is endangering its interests and security. Thus tensions and conflicts of policies frequently arise, for here we encounter differences on fundamentals. Even here, however, the differences are more in means than in ends. "The great difference between America and India," wrote the veteran Indian leader and former Governor-General of India, C. Rajagopalachari, in the *Hindustan Times* of March 3, 1955, "is that the means America is adopting for establishing peace on earth do not appeal to India."

Means and Ends

Doubtless the same observation could be made in reverse. Differences in means may not be a major drawback to good relations between states, if there is basic agreement on ends; but with regard to India, at least, this common generalization in international relations should be qualified by the well-known insistence of Gandhi on the proper relationship between means and ends.

In recent years the relations between the United States and India have been characterized by the usual ups and downs, with some evidences that these relations are maturing and that the two countries are beginning to understand each other better. Two developments in 1956 did a great deal to improve Indo-American relations. These were the opposition of the United States to the Anglo-French-Israeli invasion of Egypt and Nehru's visit to the United States in December. To be sure, the favorable climate created by these two developments was somewhat affected by certain almost simultaneous happenings; for example, Nehru was severely criticized in the United States—and in India as well—for his unwonted reticence regarding Russian brutalities in Hungary, and India was displeased by the vote of the United States on the Kashmir question in the Security Council of the United Nations. At a news conference in Washington on December

19, 1956, Nehru said that the policy of the United States toward "neutralist" nations like India "is not as rigid as I thought," and was indeed "a flexible policy adapting itself to circumstances."

Both countries have been well served by their ambassadors. Chester Bowles made a profound impression upon Indians during his service as United States ambassador to India in 1951-1953. He was an effective interpreter of America in India, and since his return to the United States he has been an equally effective interpreter of India in his own country. His successors, George V. Allen, John Sherman Cooper and Ellsworth Bunker have carried on in his tradition, and have also been cordially received in India.

In 1958, G. L. Mehta concluded a long period of service in the United States as Indian ambassador. He had made hosts of friends in the United States, and had been indefatigable in his efforts to promote a better understanding of India and of India's policies. Unfortunately some months elapsed before his successor, Mohammed C. Chagla, arrived in Washington to assume his duties as ambassador. Chagla is a former Chief Justice of the High Court of Bombay and one of India's best-known Muslims. He should be able to represent India in the high traditions that were established by Mr. Mehta and his predecessors.

Sympathetic American reactions to India's needs for foreign assistance in financing its Second Five Year Plan, the interest shown in the visits to the United States of the Finance Ministers of India, T. T. Krishnamachari in 1957 and Moraji Desai in 1958, and the granting of substantial loans to India in 1958 were welcomed appreciatively in India.

Conversely, Indians were far from sympathetic with three major aspects of American policy in the summer of 1958. The dispatch of American troops to Lebanon was criticized as an ill-advised venture in strong-arm diplomacy, with colonial overtones. United States support of the resistance of the Chinese Nationalists on Quemoy was regarded as another unfortunate consequence of the shortsighted American policy regarding China, and as a dangerous gambit which increased international tensions. Worst of all in Indian eyes were the evidences of racial bigotry in the American South, of which the

name Little Rock became the symbol. Indians are especially sensitive on issues of race and color, and the news from Little Rock required no Communist distortion to raise fresh doubts of the capacity of Americans to deal on terms of equality, justice and mutual respect with the colored peoples of the world.

Nuclear Test Ban

Indian opinion in both official and unofficial circles continues to be critical of the position of the United States regarding the testing of nuclear weapons and regarding the value of security pacts. India finds that it is inescapably affected by the tensions resulting from the cold war, a situation which, as Nehru remarked in the *Lok Sabha* (the Indian House of the People) on December 8, 1958, "covers every question in the world today." The spectacle of two giant powers, armed with atomic weapons, and eyeing each other malevolently, is certainly a frightening reality. Indians believe that it is a necessary step toward the reduction of international tensions to call a halt to the arms race, and particularly to stop the testing of nuclear weapons.

C. Rajagopalachari, a revered elder statesman of India, is a leading advocate of this approach. In letters to *The New York Times* and in many other published statements in his own country and abroad he has appealed to the United States to act unilaterally, if necessary, in stopping all atomic tests, in promising not to use the H-bomb, and preferably in scrapping all nuclear weapons. Nehru has often made public appeals to the great powers to cease nuclear testing. In reply to one of these appeals, made on November 28, 1957, President Eisenhower declared in a cable to the Indian Prime Minister:

I know that the subject of testing of nuclear weapons is of understandable concern to many. I have given this matter long and prayerful thought. I am convinced that a cessation of nuclear weapons tests, if it is to alleviate rather than merely to conceal the threat of nuclear war, should be undertaken as a part of a meaningful program to reduce that threat. We are prepared to stop nuclear tests immediately in this context. However, I do not believe that we can accept a proposal to stop nuclear experi-

ments as an isolated step, unaccompanied by any assurances that other measures—which would go to the heart of the problem—would follow.

This statement was followed early in 1958 by the Russian announcement of its decision to abstain from further test explosions for a limited period and of its willingness to continue this abstention if the United States would do likewise, and by the conferences in Geneva later in 1958 on the suspension of nuclear tests and on measures relating to the prevention of surprise attacks. In India these developments were welcomed, but they were rightly regarded as only halting first steps on a long and difficult road. In his statement in the *Lok Sabha* on December 8, 1958, Nehru referred to the Geneva conferences and he reiterated India's opposition to the continuance of nuclear tests: ". . . we feel that it is in the nature of a crime against humanity to continue any tests which endanger not only the present generation but future generations to come."

The Pakistan Dispute

In this same important foreign policy address Nehru reaffirmed India's long-standing objections to security pacts, with particular reference to the two pacts which impinge most directly on India, namely the Southeast Asia Treaty and the Baghdad Pact. He pointed out that as a result of the establishment of military dictatorships in the areas presumably covered by these two pacts, and particularly in Pakistan and Iraq, the pacts had "no reality left" and were being kept alive solely for reasons of prestige. He also restated a basic Indian complaint against the United States when he declared that relations with Pakistan had been made more difficult by the "considerable military aid" which Pakistan was receiving from the United States. These relations, he believed, had become even more delicate since the suspension of parliamentary government and the establishment of military rule in Pakistan on October 7, 1958.

Speaking in the *Lok Sabha* on November 20, 1958, Mrs. Lakshmi Menon, India's Deputy Minister for External Affairs, stated: "We have in the past repeatedly expressed our concern at foreign military aid being given to Pakistan. This becomes of added signifi-

cance in the new context that has arisen in Pakistan and it may encourage still further aggressive tendencies there." One of General Ayub Khan's "earliest utterances" after he became President of Pakistan, Mrs. Menon said, "referred to adoption of extreme measures and even war with India in order to have a satisfactory solution of the Kashmir question." Indian spokesmen have always insisted that the leaders of Pakistan have desired military aid from the United States only for use against India. If Pakistan should resort to military action in an effort to find a "satisfactory solution" of the Kashmir question, the canal waters issue, or any other issue in dispute between the two neighbors, anti-American feeling in India would certainly reach a new high. Because of the delicate nature of the relations between India and Pakistan, American military assistance to Pakistan was always of dubious value, and in the light of recent developments in Pakistan it is likely to cause even more serious embarrassment to the United States as well as to India.

Tangible evidence of the deep interest of the United States in India's struggle to deal with its basic economic and social problems and to survive as a democratic state is afforded by the economic assistance which the United States has extended to free India. The amount of that assistance now totals over \$1.5 billion. From 1950 through June 30, 1957, the United States made available to India about \$965 million for various forms of aid, including \$343 million for development assistance loans, \$57 million for technical assistance grants, \$190 million for the 1951 wheat loan, and \$360 million from the sale of farm surplus (under P.L. 480) for local currency in 1956.

In 1956 India completed its First Five Year Plan and immediately launched a second plan, twice as ambitious as the first. The second plan ran into serious difficulties from the outset. It was soon apparent that India was faced with a foreign exchange and balance of payments problem of the first magnitude. Indeed, it was estimated that India needed to obtain some \$1.4 billion from foreign sources if the "core" objectives of the Second Five Year Plan were to be realized by 1961. To make matters even worse, India was afflicted in 1957 by the

worst drought since 1951, which forced the government to use some \$100 million in foreign exchange for the importation of an additional two million tons of grain.

Second Five Year Plan

The crisis in India's Second Five Year Plan, which was in effect a crisis in India's national existence, was generally appreciated in the United States, and was regarded as a challenge to the capacity and the willingness of the more prosperous democratic nations to assist the underdeveloped nations of the world to cope with their economic problems by democratic means. In 1958, the United States made two loans to India, of \$75 million and \$100 million respectively, out of the new Development Loan Fund, and the Export-Import Bank blazed new paths for its operations by extending a loan of \$150 million for general categories of equipment and services. In June and in September representatives of India and the United States signed agreements for the sale to India of somewhat more than \$300 million worth of United States surplus agricultural commodities under P.L. 480, with the provision that most of the Indian rupees accruing under the agreements would be used for loans to India for the financing of economic development projects.

In 1958, also, several concessions were made to India regarding the repayment of interest on previous loans. In September it was reported that the Government of India had asked the United States Government whether it would be willing to help to finance another steel mill in India. It was also reported that the Soviet Union had already indicated its willingness to extend a loan for this purpose. This would be the fourth steel mill of approximately one million ton capacity to be erected in India in the "public sector." The three now under construction are being built with the technical and financial assistance of the Soviet Union and either the governments or private interests of Great Britain and West Germany. Private American interests are helping to finance a considerable expansion in the steel-producing facilities of the Tata Iron and Steel Company, India's largest private industrial enterprise.

Trade with the United States

Trade between the United States and India is still relatively limited, and the amount of American private investment in India is very small. Generally speaking, American businessmen find it difficult to do business with underdeveloped countries which are dedicated to what Indian leaders call the "socialist pattern of society." For them the risks and restrictions are too great. In recent years, however, several developments have improved the prospects for American private investment in India and for mutual trade between the two countries. A major step was the signing in September, 1957, of an investment treaty. Negotiations for this treaty, the thirty-fifth to be signed under the United States investment guarantee program, had been initiated in April, 1955, and had encountered all kinds of obstacles and delays. Under this treaty the United States Government will guarantee American private investors that their earnings from investments in India can be converted into dollars; it will not extend guarantees against nationalization or expropriation or the risks of war.

In the latter part of 1958 two American teams, composed of representatives of business, labor and government, visited India and an Indian industrial productivity team came to the United States to study and to promote opportunities for private investment and trade. One of the American teams was a Commerce Department trade mission; the other was a private business survey team. Early in December 55 American industries, with the cooperation of the United States Government, opened an exhibition of small-scale industries in New Delhi.

On March 25, 1958, Senator John F. Kennedy, on behalf of himself and Senator John Sherman Cooper, former American ambassador to India, introduced into the United States Senate a concurrent resolution, worded as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress recognizes the importance of the economic development of the Republic of India to its people, to democratic values and institutions, and to peace and stability in the world. Consequently, it is the sense of the Congress that it is in the interest

of the United States to join with other nations in providing support of the type, magnitude, and duration adequate to assist India to complete successfully its current program for economic development.

"No thoughtful citizen," declared Senator Kennedy in his speech introducing this resolution, "can fail to see our stake in the survival of free government in India." That stake is nothing less than the promotion of the basic interests of the United States and the preservation of free institutions in the world:

If the second plan collapses, so may democratic India and the democratic hope in all of Asia setting in motion forces which would erode the broad security interests of the United States and its allies. . . . India stands as the only effective competitor to China for the faith and following of the millions of uncommitted and restless peoples. Should India fall prey to internal disorder or disillusionment among either its masses or leaders and become absorbed in the Communist system, the free world would suffer an incalculable blow.

His co-sponsor, Senator Cooper, spoke in the same vein:

If India should fail, there is grave danger that the peoples of Asia and Africa would view it as a failure of democratic institutions and methods. If this happens, the balance of power and influence will actually fall against the United States and other free countries, and our danger would be intensified. . . . A strong, democratic India is in accord with our national security, and is in harmony with our goal of sovereign, democratic nations.

The members of Congress did not pass the resolution introduced by Senators Kennedy and Cooper, but in the debates on foreign aid and other questions of foreign relations they showed a sympathetic understanding of India's needs and goals and a growing recognition of the stake which the United States and other free nations have in India's future.

The shared objectives of the United States and India form the bedrock on which good

relations between the two countries, based on mutual friendship and respect, are founded. "Our two republics," said Nehru in a radio and television address to the American people on December 18, 1956, during his second visit to the United States, "share a common faith in democratic institutions and the democratic way of life, and are dedicated to the cause of peace and freedom."

What is important [he stated nearly a year later, in speaking to a group of American technical experts working in India] is the basic approach between one country and another. In regard to that I am quite convinced that the basic approach of India and the United States, in spite of often hard criticism on either side, is a friendly approach, is an appreciative approach, an approach with a desire to understand and improve relations between each other.

In spite of continued misunderstandings and criticisms Indians and Americans are beginning to know each other better and to appreciate each other's problems and aspirations. Fortunately this growing maturity of viewpoint is being reflected in the official relations of the two countries, and in their foreign policies generally.

Norman D. Palmer is a member of the South Asia Regional Studies Department at the University of Pennsylvania, and president of the National Council on Asian Affairs. Visiting Fulbright Professor of Political Science and International Affairs at the University of Delhi, 1952-1953, Mr. Palmer also visited India and Pakistan in February-March, 1957, and again in the fall of 1958. Co-author of *International Relations: The World Community in Transition*, he has also written the five chapters on India for the book *Major Governments of Asia*.

"Arable land is very unevenly distributed among continents and countries. Asia, with more than half the world population, has less than a third of the world's cultivated area; North America, with 7.5 per cent of the population, has about a fifth."

—From a Twentieth Century Fund Report.

The following article raises the questions of "How much of Indian foreign policy is based on enlightened self-interest, . . . how much on the will to lead, . . . how much on the desire to work a pattern of co-existence?" As this author states, "There will always be some imponderables that one may not even succeed in finding in Nehru's top secret files."

India's Dynamic Neutralism

By M. V. KAMATH

Contributing Editor, *United Asia*

IN a speech delivered on March 22, 1959, Prime Minister Jawaharlal Nehru unconsciously outlined the difficulty facing any commentator on India's foreign policy. He said:

Now, it is very well to talk about foreign policy, but you will appreciate that no person charged with a country's foreign policy can say really very much about it. He can say something general about it; he can sometimes say something very specific about it when occasion arises, but there are many things connected with it which are supposed to lie in what are called top-secret files.

He would be a very brash commentator indeed who would dare to outline a thesis without access to most of the source material lying in the closed archives of India's Ministry of External Affairs, in what Prime Minister Nehru himself described as "top-secret files." A study of the source material would no doubt disclose not merely a continuity in thinking, but the reasoning behind that thinking. In the absence of such a study it

is necessary to remember what a prominent adviser on India's foreign policy, Mr. K. M. Panikkar once said, namely, that "the policy of a State is determined by its geographical position, the object of all policy is territorial security and this is governed predominantly by geographical factors." And the student of India's foreign policy who is often befooled by the public utterances of her spokesmen will additionally do well to bear in mind what that eminent British statesman Lord Birdwood said: "In international diplomacy the habit of saying one thing and thinking another is as old as time."

Anybody who has made even a cursory study of India's foreign policy would bear witness to its tortuous twists and turns. In his foreign policy speech on December 4, 1947, Mr. Nehru himself stated: "Ultimately, foreign policy is the outcome of economic policy, and until India has properly evolved her economic policy, her foreign policy will be rather vague, rather inchoate and will be groping." And even as late as August 15, 1958, Mr. Nehru, who is by no means a cynic, wrote (in the Congress Party's *Economic Review*) this significant paragraph in an article entitled "The Basic Approach": "Even after a country has become independent, it may continue to be economically dependent on other countries. This kind of thing is euphemistically called having close cultural and economic ties."

There will be occasion later to refer to this article that has aroused bitter denunciation in some Soviet circles. What is of interest now is the fact that despite Nehru's previous claims underlining his determination to "stand on our own feet," he has time and again been forced to face the exigencies of

Madhav V. Kamath, a graduate of the University of Bombay, was a chemist, a school teacher, and a social worker before turning to journalism some 10 years ago. Formerly editor of *The Free Press Bulletin*, 1950-1955, an evening paper published in Bombay, he spent 3 years in the U.S. as Special Correspondent for The Press Trust of India. In the fall of 1958, he returned to India from the United States, visiting en route Europe and the Middle East where he discussed political affairs with leading statesmen of these areas.

international intrigue and diplomacy by making concessions that are at total variance with his own basic philosophy.

Mr. Nehru must have foreseen his difficulties ages ago, for in that same December 4, 1947 speech he had said:

Whatever policy you may lay down, the art of conducting the foreign policy of a country lies in finding out what is most advantageous to the country. We may talk about international good will and mean what we say, but, in the ultimate analysis, a government functions for the good of the country it governs and no governments dare to do anything which in the short or long run is manifestly to the disadvantage of that country. Therefore, whether a country is imperialist or socialist or communist, the Foreign Minister thinks primarily of the interests of that country.

This naturally gives rise to the question: what is it that India thinks is good for her or most advantageous? The question has been answered in many forms at various times and in different circumstances, but never with greater frankness or more brutal clarity than by Mr. Guy Wint who, in his book "The British in Asia," summed up India's principal interests as follows:

The integrity, neutrality and, if possible, alliance of all border States from which India might be attacked—Persia, Iraq, Afghanistan, Nepal, Burma, Ceylon, Malaya, Indo-China, Siam, Netherland East Indies,

Access to the oil of the Middle East, Burma, the Netherland East Indies,

Welfare of the Indian communities in these border countries and the promotion of Indian trade,

Safety of sea and air routes in the Indian ocean on which the security and commerce of India depends and

The desire to play a part in the external world and in the affairs of the family of sovereign powers which is fitting to its own status, culture and past history.

Hamstrung by her military weakness¹ and domestic strains India could hardly have been expected to do anything more than squeeze the utmost from the inherent greatness of her past, bank heavily on the propaganda value of her greatest asset, Mahatma Gandhi, glare angrily but futilely at her immediate neighbour Pakistan, assiduously court her near and distant Asian and African neighbours, stay within the Commonwealth²

if for no other reason than to keep a wary eye on Anglo-Pakistan relations and nod,³ as the occasion arose, once towards the West and then towards the Soviet colossus bestriding her to the north. Even if India had felt strong at home, economically and militarily, it may be pointed out parenthetically, there would still be the need to court her neighbours and throw a *cordon sanitaire* around recalcitrant Pakistan; for in a peculiar way Pakistan is also responsible for some significant aspects of India's foreign policy. Had India never been partitioned and cut into two or (what is a possibility), were Pakistan agreeable to a common social and political ethic, India's foreign policy undoubtedly would have taken on a new twist. Today, much of India's efforts internally and at least some of her efforts externally, are literally wasted in Operation Holding, meant, insofar as is possible, to "contain" Pakistani fanaticism and, if that should fail, defend India from external attack.

The Five Principles

There are many strains of thinking that finally go into the making of foreign policy and it is clear that there was a confluence of these strains around 1954 that made the declaration of *Panch Shila* possible. Mr. Dulles' declared policy of "Atomic Diplomacy," a rising fear in the East that the United States may unleash a war in that part of the world, India's own desire to build the ramparts of Asian peace on the basis of Asian solidarity could have had but one result: the historic meeting in New Delhi between Chou En-lai and Nehru that resulted in the defining of the Five Principles of Peaceful Co-Existence. It was fortuitous for India, for these principles undoubtedly

¹ "India does not produce even a jeep."—W. C. Bullitt in *Life* October 1, 1951, which is not true today, though the same is true of many aspects of India's defense.

² "The British commercial and industrial investment in India is substantial, somewhere between £300 millions and £500 millions. The commercial and industrial life in India has been, and is likely to continue to be, influenced by British practice. The link is mutually useful and profitable. . . . the reasons that I have given for my belief in the maintenance of the connection between India and Britain may be said to comprise defence, finance and tradition. . . . India cannot stand alone in the world of the future and she has to make her choice between the few international links that are available to her and on practically all accounts, the British link is strongly indicated in her own interests"—R. G. Casey, a former governor of Bengal in "An Australian in India" pp. 107-144.

³ Speaking on Stalin's death in Parliament on March 6, 1953, Nehru said: "Marshal Stalin was a man of giant stature—great in peace and war. . . ."

provide her with the moral shield behind which she can develop her economy peacefully at the same time that she continues to fight for international peace.

That some of the signatories to the "Five Principles" had scant faith in them came as a painful shock to India during the Hungarian uprising which grave tragedy came as a grim reminder that the Soviet Union would throw all principles overboard if its own security was at stake. India's vacillating stand at the United Nations on the Hungarian issue was at once a revelation and a show of weakness. Writing in the A.I.C.C. *Economic Review* (August 15, 1958) Nehru for the first time bared his disgust at communism and its strange ways. He said:

What happened in Hungary demonstrated that the desire for national freedom is stronger even than any ideology and cannot ultimately be suppressed. What happened in Hungary was not essentially a conflict between communism and anti-communism. It represented nationalism striving for freedom from foreign control.

This is as far as Nehru has come in publicly calling the Soviet Union a meddler into the affairs of foreign countries and *ipso facto* guilty of contravening the "Five Principles," that include "mutual respect for each other's territory, non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful co-existence."

Surprise has been expressed in Western circles that Nehru has not been more explicit in his condemnation of the Soviet Union and its system of government. It has often been stated, especially in the American press, that Nehru's criticism of the Soviet Union has at worst been theoretical, that it has always lacked bite. There is some truth in the statement. But those who criticise Nehru do not often seem to realise that, in his own country, he has to face a hostile Communist Party,⁴ whose leaders, in the past, did not hesitate to call him "the running-dog of Anglo-American imperialism" and who are capable, if the times require, to hold peace in the land as hostage for his "neutrality."

Besides, it is by no means easy for a statesman acutely aware of the need to compromise in the international sphere to be too critical

of the Soviet Union. That Nehru has little love for the Communist philosophy as interpreted by the Soviet Union there can be little doubt. Writing in the *Economic Review*, he says:

Communism comes in the wake of disillusionment (with social institutions) and offers some kind of faith and some kind of discipline. It succeeds in some measure by giving a content to man's life. But in spite of its apparent success, it fails, partly because of its rigidity, but even more so, because it ignores certain essential needs of human nature. There is much talk in communism about the contradictions of capitalist society and there is truth in that analysis. But we see the growing contradictions within the rigid framework of communism itself. Its suppression of individual freedom brings about powerful reactions. . . .

Of the Soviet Union Nehru also said that while he had "the greatest admiration" for many of the achievements of the Soviet Union, "it is said, and rightly, that there is suppression of individual freedom there." Of capitalism, in the same article, Nehru said it had "in a few countries at least," achieved the welfare state "to a very large extent." On the question of introducing socialism in a backward country Nehru was even more sure, remarking that "if socialism is introduced in a backward and under-developed country, it does not suddenly make it any less backward. In fact, we then have a backward and poverty-stricken socialism."

India "Uncommitted"

Where does Nehru stand then, vis-à-vis the Soviet Union, the United States of America and the United Kingdom which leads the Commonwealth? Communist critics have been at considerable pains to point out that in regard to the United Kingdom whose "colonial" policy is anathema to the Indian National Congress Party, India has followed a cautious policy of "wait and see,"⁵ not necessarily in keeping with her professions. Many, in his own party, have not yet for-

⁴ The Central Committee of the Indian Communist Party declared in March, 1948, that Nehru's neutrality "is only a mask to cover collaboration with the Anglo-American imperialists" and later Rajani Palme Dutt, the foremost Communist publicist in the Western world dubbed Nehru as a traitor to his country: "Nehru has begun on the path of Chiang Kai-shek; he knows where that path ends." (*Labour Monthly*, April 1949).

⁵ India's abstention on the issue of Cyprus in the U.N. Assembly in 1954 and 1955 may be cited here.

given Mr. Nehru for allowing transit to Gurkha mercenaries to Malaya to suppress the freedom-movement of the Malayan people on the astounding grounds that "stoppage of this freedom of transit would bring economic ruin to Nepal."⁶ Though this is old history it nevertheless illustrates the nature of Indian "neutralism" or "uncommittedness." Nehru, who speaks often on India's relations with the other countries, hit it on the button when he said nine years ago in a speech in parliament:

Any attempt on our part, that is, the government of the day here, to go too far in one direction would create difficulties in our own country. It would be resented and would produce conflicts in our own country which would not be helpful to us or any other country.

An unwillingness to "go too far in one direction" indeed seems to be the core of India's "uncommittedness." Some call it statesmanship, some call it otherwise. India, some say, is afraid to wound, though willing to strike. That this has cost her the support of at least a few Asian-African countries is open knowledge. Though India has often been dubbed the natural leader of the Asian African bloc—a statement that Japan, for instance, is loth to accept—her leadership is not always accepted *in toto* at the United Nations. In the matter of the representation of China at the United Nations, to give one instance, 11 Asian African countries—Ethiopia, Malaya, Iran, Japan, Jordan, Lebanon, Liberia, Pakistan, the Philippines, Turkey and Thailand—plumped for postponing discussion of the issue at the 1958 session, as desired by the Western bloc. These countries, naturally, had reasons for abandoning India on the Chinese issue. All of them acted in their own best interests and India could scarcely blame them for doing so.

Asian African Bloc

Indeed Indian leadership has been challenged often enough by other Asian countries at the United Nations on such issues of paramount importance as Hungary. On this issue particularly, even such friends as Ceylon and Nepal⁷ deserted India. This is not uncommon. But India finds ready support on what to Asian African countries at

least sound like non-controversial issues such as the treatment of people of Indian origin in South Africa or the questions relating to the promotion of international trade and to assistance in the development of less developed countries.

India, similarly, often leads a bloc of "abstentions" on questions that affect India indirectly. At the 1958 session India was one of 22 countries that abstained on a Western-sponsored resolution on the question of disarmament. Similarly India was one of 17 nations that abstained on a resolution pertaining to the Korean question. It must be said, however, that in such instances the abstentionists make up their minds independently of the others, their opinions not being the end-result of coercion. In fact India, one would gather, has neither the wish nor the power to coerce any of her fellow-members in the Asian African bloc. That would be, as her diplomats know well, both impractical and unwise.

Some of these countries, of course, hardly need much coercion. Because of the solid support India rendered Egypt during and after the Suez crisis and the subsequent support lent to the Arab cause, India has received almost embarrassing support from some of the Arab nations on what is undoubtedly a *quid pro quo* basis. As for Burmese support, it may well be that Burma, like India, abhors absolutes and extremes⁸ and were it not for the happy chance that India is the larger, more strongly united nation it might have fallen to Burma's lot independently to proclaim *Panch Shila*, so close to the Buddha. For is it not the wise Buddha who said: "Extremes meet. One extreme cannot be a virtue and its counterpart a vice. Even virtue itself has its stated limit." The basis for India's policy of non-alignment, it would seem then, is almost inborn, a result

⁶ "Certainly there is a sufficient strain of realism in the Indian Foreign Office to avoid any move that would embarrass the British in Malaya"—Robert Trumbull in *The New York Times*, October 5, 1952.

⁷ Speaking in the general debate on Hungary at the U.N., Nepal's ambassador Rishikesh Shaha said: ". . . the tragedy of Hungary has a real and living significance for the nine million people of Nepal. Behind it is their deepseated consciousness that what has happened to Hungary may happen to any small nation in the world. . . ."

⁸ Addressing the General Assembly in 1957, Burma's U. Thant said: "It is the view of my delegation that strict adherence to the declaration on the promotion of world peace and cooperation as set out in the Bandung communique is the sensible way to prevent world catastrophe. . . ."

of her philosophic tradition, with roots in Buddhism. It commands respect from other Southeast Asian countries merely because these countries share with India a common philosophic tradition.

India and Southeast Asia

Perhaps there are other and equally powerful reasons why many Southeast Asian countries string along with India. India's success as a "folding bridge" or an "intermittent middleman," her prominence in the comity of nations far in excess of her military strength or industrial might could not but have gathered support for her at least from some quarters. The desire for a "third force" in international affairs, though not openly mooted, has often been privately encouraged among Asian nations. And who else but India can lead a "third force" at the United Nations? These are some thoughts that cannot easily be dismissed. But beyond India's oft-repeated "dynamic neutralism" or non-alignment there is the idea of "prudential wisdom in politics" that goes beyond Nehru, beyond Gandhi to Aristotle who held the quality of prudence as a "practical virtue" that demanded deliberation. And Nehru, who long before he became the Prime Minister of India had had occasion to "deliberate" on significant issues pertaining both to Indian independence and to trends abroad and who had such excellent training under that Master of compromise, Gandhi himself—how could such a man be anything but the embodiment of "masterly deliberation?"

The idea of "prudential statesmanship" then, the idea—even if it is unjustly called *ad hoc* thinking—that there are no final answers to immediate problems may be said to permeate Nehru's thinking. In his contribution to the *Economic Review* Nehru admitted as much when he said: "I do not pretend to have that clarity of thinking or to have answers to our major questions. In a sense, I might say that I rather envy those who have got fixed ideas. . . ." He might have been translating Michael Oakshott, who said, in a lecture delivered at the London School of Economics in 1951:

In political activity then, men sail a boundless and bottomless sea; there is neither harbour

for shelter nor floor for anchorage; neither starting place nor appointed destination. The enterprise is to keep afloat on an even keel. The sea is both a friend and enemy and the seamanship consists in using the resources of a traditional manner and behaviour in order to make a friend of every inimical occasion.

"Making a friend of every inimical occasion"—this is a beautiful phrase indeed. And it sums up the philosophic basis of Indian action. "Inimical occasions" arise frequently, as even a cursory glance at the daily newspapers will testify. But to turn these occasions into friends, to hail every challenge as an opportunity for improving peace prospects, these are, and have always been, the chief characteristics of Indian action at the United Nations.

That India has been attempting to make a friend of every inimical occasion using "the resources of a traditional manner and behaviour" goes without saying. Crusading against colonialism,⁹ against racialism and against decisive forces, it might be said, are part of the Indian subconscious. But there is this essential difference between the crusading spirit of the West and of the Soviet bloc on the one hand and the crusading spirit of India: India would like to see the crusade conducted in the grand manner of the Mahatma, effecting not division, but synthesis; this would explain India's careful prodding of the colonial powers over trusteeship issues while solidly backing the non-free peoples in their fight for freedom. There have been many who think that in trusteeship matters India does not go "far enough" or "fast enough"; but those who have studied the history of the Indian independence movement from the turn of the century will bear evidence to the willingness of the Indian people as a whole to "hasten slowly." Perhaps this is the key to Indian thought and action.

How much of Indian foreign policy is based on enlightened self-interest and how much on altruism? How much on the will to lead and how much on the desire to work a pattern of co-existence? The answer might

⁹ "The independence India wants is not for herself. You cannot have the world half free and half slaves. If India aspired for freedom, it is in a free world, and when India is free every ounce of her energy shall be used for the freedom of all subject nations. This is true of Indonesia, Malaya or any other country in the world"—Nehru at Singapore, March 18, 1946.

possibly be six of one and half a dozen of the other. There will always be some imponderables that one may not even succeed in finding in Nehru's "top-secret files." An objective analysis of India's foreign policy will necessarily have to take into additional account the role of many individuals, not the least the men close to Nehru, men like Mr. V. K. Krishna Menon who act as the eyes and ears of the Prime Minister. The temptations either to be super-critical of a policy or to write in defense of it are great. But it might be said of Nehru's foreign policy¹⁰ what Edmund Burke said in a different context:

By slow but restrained progress, the effect of each step is watched; the good or ill success of the first gives light to us in the second; and so

on from light to light, we are conducted safely through the whole series. We see that parts of the system do not clash . . . we compensate, we reconcile, we balance. We are enabled to unite into a consistent whole the various anomalies of contending principles that are found in minds and affairs of men. From hence arises not an excellence in simplicity, but one far superior, an excellence in composition.

¹⁰ "We propose, as far as possible, to keep away from the power politics of groups, aligned against one another, which have led in the past to world wars and which may again lead to disasters on an even vaster scale . . . the world, in spite of its rivalries and hatreds and inner conflicts, moves inevitably towards closer cooperation and the building up of a world commonwealth. It is for this that free India will work . . . we send our greetings to the people of the United States to whom destiny has given a major role in international affairs . . . to that other great nation of the modern world, the Soviet Union, which also carries a vast responsibility for shaping world events, we send greetings."—Nehru's first official announcement on foreign policy broadcast over the All India Radio, September 7, 1946, just six days after he and his colleagues had formed the Interim National Government.

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Evaluating the Kashmir dispute, this Indian authority believes that "The proposed plebiscite should be avoided at all costs. . . ." He suggests that the Security Council should endorse its Mediator's finding that "the entry of Pakistan troops into Kashmir in May, 1948, was contrary to international law" and should thereafter support a plan for partition.

The Kashmir Dispute

BY P. KODANDA RAO

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MUTUAL relations between India and Pakistan have been strained primarily over the issue of Kashmir. This has been before the United Nations since January 1, 1948, and is no nearer solution.

The Indian Independence Act, passed by the British Parliament on July 18, 1947, terminated the British Parliament's rule over what was then British India and the British Crown's Paramountcy over the Indian Princes. At the same time, it partitioned British India and set up two "independent dominions," India and Pakistan, and left each Indian Prince free to remain independent or accede to either Dominion for Defence, Foreign Affairs and Communications.

In his speech to the Princes on July 25, 1947, Lord Mountbatten, the Crown Representative, announced that, with the lapse of the British Crown's Paramountcy, the Indian Princes "technically and legally" regained "complete sovereignty." He, however, warned them that the exercise of such sovereignty would hurt them by disrupting the services common to them and the Dominions and therefore advised them to accede to one of

the dominions before independence, taking into consideration the "geographical compulsions." Accordingly, all the Princely States acceded to one of the Dominions, except Hyderabad, Kashmir and Junagadh.

The Maharaja of Kashmir preferred to remain independent, but Lord Mountbatten, as Crown Representative, told him a few weeks earlier that independence or dominion status was out of the question. At the same time, he advised the Maharaja to accede to one of the dominions, but to do so only after consulting the wishes of his people by a plebiscite or other means—a procedure which was not constitutionally necessary and which was not adopted in other cases. He assured the Maharaja that if he chose to accede to Pakistan, India would not take it as an unfriendly act. He did not say that if Kashmir acceded to India, Pakistan would not consider it an unfriendly act. The Maharaja, however, chose to mark time by negotiating Standstill Agreements for services like communications, supplies, post and telegraph, with both the Dominions. He concluded one with Pakistan on the Day of Independence, August 15, 1947. Negotiations with India were delayed because of her preoccupation with other and more urgent matters. Mr. Mehar Chand Mahajan, then Prime Minister of Kashmir, complained that India was indifferent to Kashmir.

Early in September, 1947, within a few weeks of signing the Standstill Agreement, the Maharaja complained that Pakistan was violating it and applying economic and military sanctions to coerce him to accede to her. On October 15, he appealed to the British Prime Minister for intercession, but

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in vain. On October 22, over 5,000 raiders from the tribal areas northwest of Pakistan invaded Kashmir, passing through Pakistan territory for the purpose. Two days later, on October 24, India received information from the British Commander-in-Chief of the Pakistan Army that the raiders were within a few miles of Srinagar, the capital of Kashmir, and had announced that they would celebrate the Muslim festival of Id in Srinagar on October 26.

The same day, October 24, the Maharaja made an urgent appeal to India for help. Pakistan could have helped him more effectively than India, and he would have appealed to her if he thought that she was either friendly or even neutral. On the advice of Mountbatten, India declined to help him without prior accession. The Maharaja had then no choice but to accede to India. The accession was legally completed when Mountbatten, as Governor-General of India, accepted it. Nevertheless, he persuaded the Nehru Cabinet to let him add in a covering letter that it was India's wish that, as soon as law and order were restored and the invaders were driven out, the question of Kashmir's accession should be settled by reference to the people.

The next day, October 27, Indian troops were air-lifted to Srinagar and the invaders were pushed back. By that time, Mr. M. A. Jinnah, Governor-General of Pakistan, was already in Lahore, ready to march in triumph into Kashmir. On hearing that Kashmir had acceded to India and Indian troops had entered the State, he ordered the Pakistan Army to march into it. But at the last moment, he was persuaded by his British military staff to cancel the order. The accession made Kashmir legally part of India, so its invasion would amount to war between India and Pakistan and would involve the withdrawal of British personnel in the armies; the Indian Army was more powerful and less dependent on British personnel than the Pakistani.

Charges of Aggression

Mr. Jinnah refused to accept the legality of the accession which, he said, was secured by force and fraud. Mountbatten rejoined that violence came from the raiders, and Pakistan was responsible for it and not India.

When, in the course of subsequent negotiations, Mountbatten inquired how he would withdraw the raiders, Mr. Jinnah assured: "If you do this, I will call off the whole thing." Mr. Jinnah's assurance proved that Pakistan was not an innocent and helpless spectator of the tribal raid.

Among the proposals considered but not acted on was one to refer the matter jointly to the United Nations and to invite it to conduct a plebiscite. Negotiations having failed, India formally asked Pakistan to deny aid to the raiders. Failing a satisfactory reply, India approached the United Nations on January 1, 1948, with the request that it should call upon Pakistan to do so. On January 15, 1948, Pakistan denied she aided the raiders, declared that the accession was brought about by fraud and force and was, therefore, illegal, and charged India with aggression in Junagadh, with genocide and with a plot to destroy Pakistan herself, thus widening the issues before the United Nations. Neither India nor Pakistan asked the United Nations to conduct a plebiscite.

The Security Council gave priority to the Kashmir issue, appointed a Commission, the United Nations Commission on India and Pakistan, UNCIP for short, and directed it to investigate the facts and to mediate with a view to restoring peace and facilitating a plebiscite. The charges of aggressions were, however, by-passed from the beginning, and attention was concentrated on the plebiscite. Sir Pierson Dixon, of Britain, recalled in the Security Council on February 15, 1957, that "when the Council first considered this question in 1948, it preferred to look to the future rather than to the past; it looked forward to a settlement of the problem." Mr. Tsiang of China recalled in the Security Council on January 24, 1957, that no member of the Council ever gave serious consideration to the charge of aggression.

The members of the Council, without consultation, all came to the conclusion that the charges of aggression should be by-passed. That charge was never taken up, never sifted, never even given serious consideration.

In justification he said: "I believe that it was very wise of the Council to by-pass that charge."

It may be granted that it was more useful to seek a peaceful solution than to investigate

an accusation of aggression. It would, however, have been more diplomatic if the Security Council had, by a friendly approach, persuaded India to withdraw her charge.

India has never withdrawn her charge, although she was always willing to consider suggestions for an eventual plebiscite, which she had herself volunteered unilaterally at the time of accession subject to the vacation of aggression and the creation of peaceful conditions. Sir Owen Dixon, Chief Justice of Australia, who acted as mediator in 1950, bore testimony to this. He said in his report:

Upon a number of occasions in the course of the period beginning with the reference on January 1, 1948, of the Kashmir dispute to the Security Council, India had advanced not only the contention, to which I referred, that Pakistan was an aggressor, but the further contention that this should be declared. (Security Council, February 18, 1957.)

He added that the Security Council had not made such a declaration, nor commissioned him to do so. More recently, on February 18, 1957, the Representative of India said in the Security Council that India had never withdrawn her charge but continued to reiterate it, while willing to consider other matters.

Aggression is a very serious offence. The Council acted with remarkable zest and speed when a similar charge was made in Korea. In its own interest, the Security Council should have investigated India's complaint or persuaded her to withdraw it. Failure to do either resulted in a deadlock between the Council and India. No solution by consent seems possible without resolving it.

Plebiscite

Having by-passed the question of aggression, the Security Council looked for a solution. It found a hopeful opening in the fact that before the matter came to the United Nations, India and Pakistan had (however inconclusively) contemplated the idea of inviting the United Nations to conduct a plebiscite. Therefore, it concentrated on securing it. The immediate requisite was to stop the fighting. The Council called on India and Pakistan to do everything to reduce tension and nothing that might aggravate it, and to inform it of any material change in the situation. It recommended

that Pakistan should secure the withdrawal of tribesmen from Kashmir and keep the Council informed of it, and that India should facilitate the appointment by the Kashmir Government of a Plebiscite Administrator selected by the United Nations. The Council acknowledged the responsibility of India for the security of Kashmir. In doing so, it admitted the validity of Kashmir's accession to India. The plebiscite might confirm it or persuade India to revoke it.

The UNCIP visited India and Pakistan and ultimately secured agreement of both to two Resolutions of August 13, 1948, and January 5, 1949, providing for a cease-fire, to be followed by a truce and finally by a plebiscite. Cease-fire was achieved as of January 1, 1949. But the UNCIP failed to secure agreement on the truce. Subsequently, the Security Council deputed successively General MacNaughten of Canada, Sir Owen Dixon of Australia, Dr. Frank Graham of the United States and Mr. Gunner Jarring of Sweden as Mediators. They too, reported failure to secure a truce, preparatory to the plebiscite.

A Decade of Negotiations

Limitation of space does not permit a review of the negotiations during the last ten years. But a very brief reference may be made to some important findings. Arriving in Pakistan on July 7, 1948, the UNCIP was surprised to discover that, far from securing the withdrawal of the tribesmen from Kashmir, Pakistan had sent in her own regular troops in May, 1948, and failed to inform the Security Council. Even more surprising, Pakistan contended that the presence of her troops in Kashmir did not infringe any international obligation as she had never accepted any such obligation with respect to Kashmir. She claimed that her hitherto concealed participation in the Kashmir invasion was justified on the ground that she was responsible for the over-all command of the Azad (independent) Kashmir forces. The UNCIP was critical of Pakistan's action, and said that the presence in Kashmir of her troops constituted a "material change" in the situation after it was explained to the Security Council. Pakistan promised to withdraw her troops from Kashmir. They are still there.

Pakistan at first denied that she aided the tribal invasion, then admitted it and finally sought to justify it. The Security Council requested that nothing should be done to aggravate the tension between India and Pakistan. Pakistan, from her Prime Minister downwards, maintained a persistent and bellicose campaign for "Jehed," or holy war, against India.

Sir Owen Dixon, Chief Justice of Australia and Mediator in 1950, reported that, although the Security Council had made no declaration that Pakistan was the aggressor, nor commissioned him to do so and although he had not made a judicial investigation into the matter, he was prepared to adopt the view that the entry of the hostile tribal elements into Kashmir in October, 1947, and of Pakistan's regular troops in May, 1948, were contrary to and inconsistent with international law. (Security Council, February 18, 1957.)

The Security Council by-passed these findings, and firmly preferred the plebiscite as the best solution. The efforts of all the agents of the Security Council to secure a truce failed because of disagreements in the interpretation of the Resolutions of August 13, 1948, and January 5, 1949. They stemmed from the divergent approaches to the Kashmir problem of India and Pakistan.

India held that Pakistan was guilty of aggression, that she had, therefore, no *locus standi* in the Kashmir problem, and that all she had to do was to vacate her aggression and stop anti-Indian propaganda to permit a plebiscite. India also held that the accession of Kashmir to her was legal and complete, though as a sovereign government she was free to revoke the accession and cede Kashmir to Pakistan if the plebiscite favoured it. If accession was conditional on a plebiscite, the plebiscite itself was conditional on the liquidation of Pakistan's aggression and the creation of a peaceful and friendly atmosphere. Neither condition has been fulfilled as yet.

On the other hand, Pakistan argued that accession was secured by force and fraud and was therefore illegal, that in any event it was subject to a plebiscite, that as a Muslim-majority state, Kashmir should accede to

Pakistan, and that she had equal status with India in organizing the plebiscite. This divergence of approach resulted in a deadlock between India and Pakistan regarding the prerequisites for the plebiscite.

While India stood by her offer of a plebiscite, she is increasingly doubtful of its desirability at this late stage. Her misgivings were shared by Sir Owen Dixon and Mr. Jarring who served as mediators.

The Plebiscite Question

Sir Owen Dixon feared that an over-all plebiscite would create a serious problem of refugee migration and therefore suggested the partition of Kashmir, confining the plebiscite to the Valley of Kashmir. Mr. Jarring, who acted as mediator in 1957, reported that the plebiscite might give rise to "grave problems," and added that the implementation of international agreements years after they were concluded became increasingly difficult as circumstances tended to change with the lapse of time. More recently, in November, 1957, Mr. Dieffenbaker, the Prime Minister of Canada, said during his recent visit to India and Pakistan that there was some change of thinking about the plebiscite which was proposed ten years ago, though he declined to indicate its extent.

India has had reservations regarding the impartiality of Britain and the United States, who were keen on the plebiscite as the solution to the Kashmir problem. Though Britain publicly professed that an Indian Prince was free to accede to either India or Pakistan, subject only to geographical compulsions, she privately favored Kashmir's accession to Pakistan for religious reasons, according to Mr. Mehar Chand Mahajan, then Prime Minister of Kashmir. Prime Minister Attlee of Britain, in his private talks with Prime Minister Nehru, admitted as much on the analogy of the partition of India on the basis of Hindu and Muslim. (Security Council, January 24, 1957.)

India was surprised and shocked when the British and United States representatives urged in the Security Council on January 29, and February 4, 1948, that not only Pakistan but also the raiders were entitled to consideration as parties to the Kashmir problem.

American military aid to Pakistan has aggravated India's misgivings regarding the United States attitude. Notwithstanding the assurances that aid was given solely to resist international communism and that it would not be permitted to be used for aggressive action against her, India has felt that the United States would not be able to control Pakistan effectively and in time. Pakistan has made no secret that her only "enemy" is India; she has been preaching "Jehed" against India from a "position of strength" based on American military aid.

Possible Solution

A peaceful solution of the Kashmir problem depends on the resolution of the two deadlocks by compromises, honourable and acceptable to all parties. The deadlock between India and the Security Council can be resolved if the Council takes due note of India's original complaint. At the same time, it is undesirable to invite another round of prolonged and bitter charges and recriminations, which will only aggravate tension. The best course seems to be for the Security Council to give official endorsement to the finding of Sir Owen Dixon that the entry of Pakistan troops into Kashmir in May, 1948, was contrary to international law. (Security Council, February 18, 1957.)

This much must be done, primarily to sustain the prestige of the Council. It will not do for it to ignore a charge of aggression. It does not need the consent of India or Pakistan to endorse the finding of its own Mediator, who happens to be the Chief Justice of Australia. After doing so, it may appeal to India to be content with the endorsement and not press her charge any further. There is every hope that India will then respond readily. Indeed, the Representative of India has already promised this

when he said in the Security Council on January 24, 1957:

My government, when once this is resolved and when all elements of aggression are withdrawn, will not be wanting, in its allegiance to the Charter, in finding an arrangement by adjustment with our neighbour which will be to our common good.

The proposed plebiscite should be avoided at all costs for the weighty reasons given by Sir Owen Dixon and Mr. Jarring. Pakistan has made it clear that appeal to Muslim sentiment is legitimate and will be exploited to the full. Religious frenzy would be roused to fever-pitch and would lead to horrid scenes like those which accompanied the partition of British India in 1947. No Plebiscite Administrator would be able to control the situation effectively. And the sufferers will mostly be the common people, primarily of Kashmir and perhaps of India and Pakistan also. If the welfare of the common people is the criterion, as it should be, the plebiscite should be abandoned.

In seeking an alternative solution it is better to follow the Wilsonian policy of "peace without victory" than the Churchillian policy of "un-conditional surrender." Partition of Kashmir somewhere along the present cease-fire line, seems to be the best solution and least open to criticism. Neither India nor Pakistan will win all or lose all. What each has now she will hold hereafter. There will be no further dislocation of settled population and no migration of refugees.

Partition has been suggested by Sir Owen Dixon, which should make it easy for the Security Council to accept it. India has volunteered to favour it. It remains for Pakistan to do likewise. The Security Council and all friends of Pakistan and of the United Nations and of international peace can do no better than persuade Pakistan, if that is necessary.

"Many great rivers have not yet gained a place in world economy in keeping with the expanse of their drainage basin and its natural resources. Such are the powerful rivers of the underdeveloped areas: the Amazon and La Plata in South America, the Niger and Congo in Africa, the Yenisei and Lena in Siberia, and many others. The eventual economic rise of the underdeveloped areas implies development of the corresponding drainage basins, some of which lie in more than one country."

—From a Twentieth Century Fund Study.

This specialist traces the three stages of development in India's relations with the Communist world and analyzes the third period, "the period of disillusion, of a retreat from foreign affairs and of a growing ambivalence as India begins its first real look at China."

India and the Communist World

BY ROSS N. BERKES

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INDIA'S moment of impact in world affairs took place during the six years between 1949 and 1955. This is to suggest, at least, that most Indian causes in foreign relations were during that period the most freshly joined, the most vigorously pursued, the most dramatically registered, and—for that matter—the most excitingly won or disconsolately lost. Nearly all of these causes were directed against the West, or else they carried in their wake effects considered injurious by the West. The common denominator was freedom and equality for Afro-Asia—freedom from, and equality with, the West.

The period began with the struggle for Indonesian independence, and in the surprising forcefulness of Indian diplomacy on behalf of Indonesian nationalism. The period ended when the new, if delicate, stabilization of Asia achieved at the Geneva Conference of 1954 shifted the center of global instability to the Middle East. And although Indians designate the Middle East under the heading of Western Asia, the succeeding voice of impact was Arab more than

Asian, just as the cause has been more Arab than Asian, and India, of course, is not an Arab power.

The major lines of Indian foreign policy were thus cast at a time when India stood forward and somewhat alone as the voice of seething Asian nationalisms. The only other strong and persistently harmonious voice outside Asia was that of the Soviet Union, a power similarly endowed with a stake in the removal of Western influence from Asia. Whatever else may have been the faults of Indian foreign policy during this period, few responsible critics would care to argue that it was ever placed deliberately, willingly, or consciously in the service of Communist objectives. A more interesting question would be whether it was the policies of India, or those of the United States, that did the more to advance Communist objectives in Asia during the period, however innocently or unconsciously. The point of departure for this topic, however, rests with the simple and in so many ways unfortunate observation that India's relations with the Communist world were molded during a period when the mutuality of support on burning issues in Asia took on the appearance of a mutuality of interest, and contributed to the assumption that coexistence was a manageable formula with neighboring communism, if not with neighboring Western imperialism.

To this apparent harmony of interest was added another feature of Indian policy contributing to the character and development of India's relations with the Communist world: Nehru's growing pre-occupation with the menace of the cold war, and the corollary, his determination to isolate as much as possible of Asia from it. There is surely

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sufficient evidence of the intensity of his concern in this matter to suggest that among the more severe disappointments in a long and distinguished public life, few will match in bitterness Nehru's inability to keep the new Asia from the deadly virus of alliance politics and Great Power intrigue. And for the return of this vicious system, Nehru and his colleagues have tended to blame the United States far more than the Soviet Union. Even the Sino-Soviet alliance was viewable in India as a response to American domination of Japan and its partisan intervention in the Chinese civil war.

Furthermore, among the tragedies of the Korean War was the emergence in India of an overwhelming fear and suspicion that the United States would use it—indeed, that it was using it—as a means of reopening the Chinese civil war, and thereby of ending any hope of peace short of wholesale disaster. Similarly, in Indochina it was the threat of American military intervention, rather than the threat of Chinese intervention or the loss of Southeast Asia to communism, that alarmed India most, and for the same or similar reasons. And finally, Nehru could argue, as often he did argue, that the regimes and institutions the United States seemed so interested in defending in Asia were precisely those whose continued existence invited the growth and menace of communism.

Criticism of Communism

It would be an error to hold, as so many Americans are prone to do, that India's dismay over the patterns of American behavior in Asia rendered its statesmen blind to or uncritical of the patterns of Communist behavior. For several years prior to the Korean War, the Western case against Soviet behavior in Korea was openly and at times quite vigorously shared by India. India voted with the West in designating North Korea as the guilty party in the opening of the Korean War. Nehru's first responses to the invasion of Tibet by Communist China were angry and demanding. The deep antipathy toward Seato was not so partisan as to prevent Indian statesmen from bleak references of dislike and regret over the parallel existence of the Sino-Soviet alliance and the Warsaw Pact. Even China's inter-

vention in the Korean War, which nearly all responsible Indians charged to the follies of American policy, was reluctantly conceded by Nehru to be aggression, if not unprovoked aggression.

But the proper context of all of these sensitivities, and thus the essential environment within which India's relationship with and attitude toward the Communist world emerged, was India's paramount unhappiness with what it so intensely regarded during this vital period as the blunders of American policy in Asia. The consequent and continuing rededication of Indian foreign policy to peace and stability in Asia, without which all other Indian objectives were imperiled, thus found Indian statesmen absorbed with and most horrified by the patterns of American rather than Communist behavior. And nothing was more central to their concern than the menace they envisaged in American policy vis-a-vis Communist China. Even now, few Indians would concede that the major threat to peace and stability in Asia rests in the existence of a Communist-dominated China, or would resist the view that it is the persistence of American hostility toward Communist China that constitutes the major threat.

Relations with China

Thus the reassurances to Communist China that it is not an Asian pariah, that it represents a legitimate and understandable revolution, that its future in Asia is not regarded by fellow-Asians as a menace, and even that it is a welcome partner in the pursuit of common Asian causes—all of these postures, so unbelievable or even outrageous in American eyes, have been as much the product of India's countering tactics as they have of sincere Indian belief or conviction, and sometimes more so. Certainly the real threat of tragedy in Asia as seen by India is not the prospect of a Communist-dominated Asia, but the prospect of the new Asia divided against itself. Not only would Indians seem to regard the latter as far more real, but perhaps even as appreciably more ominous. To almost any inheritor of the Indian struggle for freedom, the Communist in Chou En-lai is at worst an unhappy irrelevance, obscuring the heroic

dimensions of his stature as an Asian revolutionary with a similar mission.

India thereby entered the plateau of time and events following the Geneva Conference of 1954, and into the era of delicate peace and stability in Eastern Asia, as a power whose policies and attitudes had been forged in the perils of the preceding five years. Moreover, these had been forged in a manner committing India to the cultivation of amicable relations with Communist China, and to the reconciliation of Communist China with the West. In the logic of such a policy, it could easily afford to find fault with the policies and attitudes of the West, but not so easily with those of Communist China. And insofar as the emergent era of peace and stability provided an opportunity for a more studied look at the communism of Communist China, the discovery of elements of contrast and rivalry could not be carried to antagonism without imperiling the entire structure of Indian policy.

Rivalry

If peace and stability encouraged the emergence of a sense of rivalry between the ideological systems of India and China, Indian policy could not afford—nor was it inclined to view—such a rivalry except in honorable terms. In the eyes of discerning Americans, or those with the patience for finer distinctions, Indian championing of Communist China before it took time to see the communism was one thing; its continued championing after taking the time to see it and to acknowledge the rivalry was quite another. Perhaps it led one nearer to the conclusion that the platform of neutralism was built of sterner stuff than innocence.

Yet it must be acknowledged from the little that can be gathered here that most Indian visitors to China, of which there seem to have been a remarkable number in the past few years, have returned more stimulated than repulsed by what they saw. The biggest exception, as others have observed before this, has been in the reaction of Indian trade union leaders, whose intelligent disgust well outstripped their discretion. Another exception seems to be in the category of Indian educators, whose awe of some

aspects of China's new educational system did not survive their shocked dismay over other and probably more fundamental aspects.

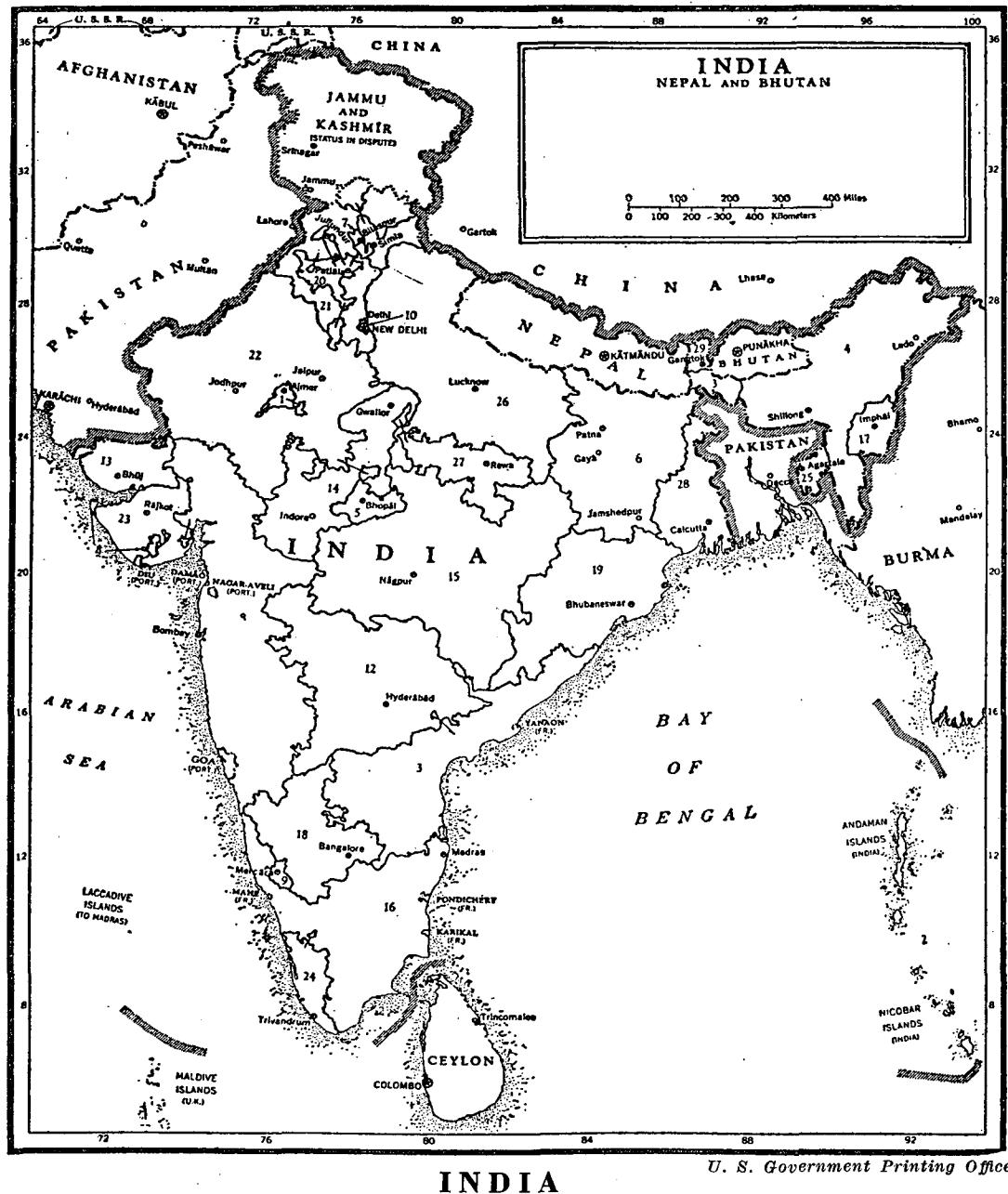
Bandung

The new era, dedicated as it was to establishing and securing a plane of relationships between India and the Communist world, was introduced by the *Panch Shila* and the Bandung Conference early in 1955. More precisely, it was introduced by a joint statement subscribing to the Five Principles of Coexistence made in mid-1954 by Nehru and an amiable, masterful Chou En-lai. This whole period, from the end of the Geneva Conference through most of 1956, and in part beyond, is the great period of Communist reassurances and goodwill toward the neutralist powers, particularly India. It includes the vigorous "soft-sell" made by Khrushchev and Bulganin in their wearying, weeks-long visit to India late in 1955, and the several visits made by Chou En-lai late in the following year. Such events were for the West properly alarming spectacles of mass response. And among those of an awed West, perhaps only the foolish—of which the writer may have to classify himself as one—silently cheered from afar when Khruschev took off with his adventuresome if stirring verbal assaults on the United States and Western imperialism in general.

The above paragraph ended on a diverting note, and in fairness should be expanded as follows: proof that the writer knows next to nothing about the art of propaganda, and certainly considerably less than Mr. Khrushchev, rests in two observations about Soviet-Indian relations. First, it seemed sophisticated to hope that if Indians were willing to swallow some of the sloganeering bilge about Western villainy from their own kind, they might not be so receptive when hearing it recklessly cast about by cajoling if nonetheless congenial Soviet leaders, none of whom had ever personally lived under the boot of the maligned Western imperialists. But only Nehru and the *Times of India* appeared to squirm with any embarrassment when Khrushchev, for the special edification of Indians, repeatedly painted Western wickedness with the wild and imaginative

strokes of Communist brushes. Second, it seemed sophisticated also to anticipate that since Soviet economic assistance to India still represented less than \$300 million by the end of 1958 (including the Bhilai steel plant), Communist efforts to capitalize on Soviet generosity might ultimately lead Indians to a deeper appreciation of the fact that they have already received four times that amount of aid from the United States.

This also must have been an error, for Bhilai et al is generally portrayed as an awesome Soviet breakthrough in India, both propagandistically and economically. Here the writer seems to have been doubly wrong, having been additionally under the comforting impression that the Bhilai plant was an excellent boost to the Indian economy, and that nothing was more central to real American interests in India. Such matters, of



course, are never that simple, although there may be profit here in recalling the following recent exchange between Senator Fulbright and Under Secretary of State Dillon:

Fulbright: If we accept your view that this is an effective program [Soviet economic aid to underdeveloped countries] and it will really make a contribution to the prosperity, the economic strength, of these countries, why isn't that in the long run in our interests?

Dillon: I think in the case of a country which receives economic aid from the Soviets such as India, where the country is anti-communist, where they have a program of their own, that that may not necessarily work against our interests. It helps the Indians go ahead with their plans.¹

To return from the interlude of confession and self-criticism, Bandung and the *Panch Shila* were far more meaningful, awkward, and even potentially ominous for the West than either the seemingly triumphant tour of the Soviet leaders or, if one may dare say so, the later and splashy introduction of Soviet economic assistance. Both served to confirm Nehru's assumption that the Asian Communist leaders of China were reasonable men—even that they were masterful men. And whereas so much of American journalism reporting on Bandung busily cackled over the anti-Communist barbs of pro-Western Asians, the indisputable victor was Chou En-lai, the man who outdid Nehru in the patient exploration of constructive thoughts and goals in common, not of differences and quarrels. Once again, and most dramatically, it was not the Communists who appeared to threaten the "solidarity of Asia," rather, it was the pro-Western Asians.

Bandung has never been repeated, and passed into history registering the one myth that few acute Asians, Communist or otherwise, might wish to test again for some time to come. The Communist facsimile, the non-governmental Afro-Asian Solidarity Conference, begun and housed in Cairo, has emerged a tinsel, brummagem testimonial to the pleasant thesis that Communists can seldom leave a good thing alone. It can be noted, with some satisfaction at least, that this Communist attempt to subvert a treasured Indian ideal has not been well received in India. Perhaps it has led a few

important Indians, otherwise complacent about such matters, to wonder how far Communists can be trusted with wholesome ideas.

The *Panch Shila*

This brings one to the *Panch Shila*, and to the observation that, henceforth, the thin thread tying the relations between India and the Communist world has been essentially the *Panch Shila*—and remains so today.² Moreover, it is the *Panch Shila* that now, in a still later period, is becoming the weapon of Nehru's critics and the unrelenting measure of Communist duplicity.

The new period began shortly after the Hungarian crisis late in 1956, and is the period in which India finds itself now. The heady wines of high policy have seemed to sour; challenge has shifted from foreign affairs to domestic affairs, and from politics to economics. This may have been inevitable as India moved into the more pretentious and absorbing Second Five Year Plan, or at least when the grim realities inherent in India's economic and financial plight could no longer remain essentially academic. It was made more inevitable by the growing sense of awareness throughout India that Communist China, if no other power in Asia, was indeed moving economically, and with the dedicated zeal of what appeared to be a vast nation of patriots.

Something of the uneasy, ambivalent fascination with China can be illustrated by a series of articles published in the *A.I.C.C. Economic Review* by Shriman Narayan, General Secretary of the Indian National Congress. True, the articles on China began in late 1953, but they continued for several years, and none of them quite escaped the rather revealing tone exemplified by the following excerpt:

Everybody talks of China these days. There is no harm in talking about a neighboring and friendly country which is bound to India by cultural ties through the ages. But it is certainly wrong to underrate our own achievements

¹ Hearings, Committee on Appropriations, U.S. Senate, 85:2, on H.R. 13192, Mutual Security Program for 1959, p. 309.

² See *Current History*, February 1957, and in particular the article by Alvin Z. Rubenstein on "Soviet Policy in South Asia." In abbreviated form, the *Panch Shila* were listed therein as mutual respect for territorial integrity and sovereignty; nonaggression; noninterference in internal affairs; equality and mutual benefit; peaceful coexistence.

and lull ourselves into the delusion that China has found a panacea for all the ills from which India suffers. . . . It is good to be critical of our own achievements. But to decry our own work and unduly praise the work of another country will be, to say the least, unpatriotic.³

The growing ascendancy of a climate of comparison has seemed to transpose the plane of Indian thought from philosophy to statistics, or to one wherein all values—even democracy—are becoming subjects of statistical scrutiny. To men such as Nehru, all of this must seem an alien, uncomfortable world. In any case, one sensed this discomfort in Tibor Mende's published conversations with Nehru, particularly those passages where Mende framed questions deriving from a comparison of the Five Year Plans of India and China. Mende laid the groundwork for such queries by noting that "the outcome of this planning with coercion and planning with persuasion is thought sometimes to imply important developments likely to affect the future course of Asia."

He charged on under a barrage of statistics, noting that in their comparative economic efforts India invests about 6 to 7 per cent of her national income per annum, whereas in China it is around 13 per cent, and is presumably to move up to 20 per cent by 1960, ". . . which would be around the rate of investment the United States or the Soviet Union put aside at the time of their great industrial expansion." And as Mende pointed the question: "Will India try to compete with this rate of investment?" Nehru's response was as follows:

There is no question of competing with China or with any other country. . . . We do our utmost within our limitations and we think that once we start moving the pace will become faster and faster. The point is that you should be in movement.⁴

Despite Nehru, statistics have a way of their own, and will become politically meaningful only in an environment of competition. Few may have suspected a short decade ago, and not least in the United States, that a major armament in the offensive of the Communist world would soon become statistics, heretofore the weapon of capitalism and democracy.

Beyond the unheralded, unwilling, and

unacknowledged competition implicit in the coexistence of industrial five year plans in India and China, the major change in the texture of India's relations with the Communist world has been concerned with the devaluation of the *Panch Shila*. This began with the Hungarian crisis, and with Nehru's unbecoming tardiness in recognizing the abortive and tragic revolution for what it was. Indignation neither awaited officialdom nor did it overlook it. Among the first Indian public figures of note to take the government to task for its hesitant policy was the in-and-out Praja-Socialist leader, Jayaprakash Narayan, whose biting criticism, centering in the unworthiness of a double standard for Egypt and Hungary, led to a surprising ground swell throughout India.

The execution of Imre Nagy, revealed to the world in the summer of 1958, was no less a blow to the *Panch Shila*, to which the U.S.S.R. had already long subscribed with such apparent enthusiasm. Whether he could afford it or not, Nehru was not inclined to be tardy in registering his shock on this occasion. One of his public protests ended on a telling note, for as Nehru remarked:

We avoid criticizing other countries or interfering, even though we may hold strong opinions about what happens in other countries. One of the things about this matter is that a question has arisen in my mind how far *Panch Shila* is being acted upon by people who talk about it.

Shortly afterwards, a foreign policy debate in the *Lok Sabha* (lower house of the Indian Parliament) centered in a debate on the value of *Panch Shila*. Kripalani, the Praja-Socialist leader, boldly attacked Nehru for his "pathetic faith" in *Panch Shila*, described it as a doctrine "born in sin" and one that had been blown up with the "treacherous and internationally-illegal" execution of Nagy, and was being blown up also by both Russia and China in their violent campaign against Yugoslavia. And while there were surely many other matters to be discussed, over half of Nehru's reply on the succeeding day was devoted to answering Kripalani's

³ Narayan, Shriman, *India and China* (pamphlet reprinting his articles on China, published by the Indian National Congress, New Delhi, 1956), pp. 26-27.

⁴ Mende, Tibor, *Nehru: Conversations on India and World Affairs*, pp. 116-18.

criticism of *Panch Shila*. Arguing that the principles of *Panch Shila* alone offered mankind any hope of peace, Nehru nonetheless felt compelled to admit that certain countries had not lived up to the doctrine. But as he concluded, that did not "make a good ideal a bad ideal."

Among the unsettling events draining away Nehru's optimism, as well as his confidence in the formula of *Panch Shila*, must surely have been the spectacle of the vicious outbursts directed against Tito by the leaders of Communist China, who—for reasons still obscure, if centered in the devious ways of the Communist world—had taken over from Russia the chief role among Tito's vilifiers. One can only ponder Mao Tse-tung's remarks of welcome as a new Indian Ambassador presented his credentials in the midst of all of this, and particularly the cheerful passage wherein Mao is reported to have stated—as surely he would not have failed to mention: "I am convinced that China and India will now hold still higher the banner of the Five Principles." But one can also ponder Nehru's reception of these cordial (banal?) words of greeting as he looked at the world about him, and not only because Tito is one of the few Communists Nehru really respects.

A New Period

With time, space and patience, one could fill out the elements of this new period in India's relations with the Communist world, for there is more to be recorded than merely the political decline of the *Panch Shila* and the rise of India's critical sensitivities in her attitude toward the Communist powers. There is the subject of trade with the Communist bloc, which has never been much, nor is it likely to become much (it is approximately four per cent of India's total trade). There is, of course, the more publicized subject of economic aid from the Communist bloc, which has never been very much, nor—things remaining equal—is it likely to become very much (it is approximately 16 per cent of all of the official foreign loans and credits issued to India to date).

There is the subject of cultural exchange with the Communist bloc, which has never really been very much, but which may de-

velop considerably in the years to come. Although the consequences of such a development may entail certain risks, one might reasonably hope that ultimately the Communist regimes would have more to lose than to gain from such exposure and contact. There is also the subject of Bhutan, Nepal, and Tibet, and India's recent uneasiness as it faces the obscure but unsettling activities of Communist China and its agents in these Himalayan worlds.

Finally, there is Kerala and the Communist Party of India, and whether the latter is Maoist, neo-Maoist, Stalinist or whatever, and whether it leans to Moscow or to Peking—or, indeed, whether it makes much difference one way or the other. But one cannot lightly dismiss the C.P.I. for its future may have considerable promise, as unfortunate as that would be for all of us.

In Conclusion

To summarize, India's relations with the Communist world have passed through three stages in the past decade or so. First was the period of adventuresome foreign affairs, wherein India's major contact with the Communist world was one of mutual support but certainly not of intimacy, and which was highly conditioned by India's growing dismay over American behavior in Asia. Second was the period of formulating a basis for India's over-all relations with the Communist world. This was the period of Bandung and of the birth of the *Panch Shila*. Finally, there is the period of disillusionment, of a retreat from foreign affairs, and of a growing ambivalence as India begins its first real look at China.

This third period should not be the occasion for complacency or smugness on the part of the West. It should not even be the occasion for much of a cheer for *Panch Shila*, the device through which India has begun to discover things about its Communist neighbors quite opposite from those they had optimistically hoped to confirm. Rather, it should be the occasion for recognizing that whatever India's disillusionment, the essential realities of India's future are internal and domestic, not foreign and international. And that is a lesson for the West, as well as for India.

Summarizing political developments, this specialist points out that "although Nehru's personality and his prestige in the country help to overshadow other parties, the growth of political life in India and the strength of democratic forces working at all levels from the village to the national government have contributed to the growth of a healthy party system."

Parties and Politics in India

BY K. M. PANIKKAR
Indian Ambassador to France

INDIAN political life appears to the outsider as something tame, dominated by a single party, the Congress, which in itself is generally believed to be the instrument of Pandit Jawaharlal Nehru. This is, in fact, a grave misconception. Because it is a federal union, the outside public thinks of India only in terms of federal policies, foreign affairs, economic planning and is generally unaware of the fact that the active area of politics lies in the states whose governments are directly in touch with the people and whose activities touch their daily lives.

The states of India that constitute the Union are, many of them, larger than the great states of Europe. For example, Uttar Pradesh has a population of 65 million, Bihar and Bombay each have over 50 million while the smallest state in area, Kerala, has a population of 14 million. It is obvious that to look upon or judge the politics of India from the angle of the Central Government would be unreal and distorted.

The existence of a great national party (the Congress), in power in all but one of the 16 states, and its continued and effective leadership by Mr. Nehru, have so far ob-

scured this significant fact. But although the National Congress is a well-integrated institution which lays down and co-ordinates national policies, it is necessary to remember that its organization is based primarily on the states and it is the work of the party in the states that gives it strength and prestige.

Nor is it wholly correct to hold that Mr. Nehru's power is absolute over the Congress. The immense prestige he enjoys in the country and the affection and confidence which the Indian people, without reference to parties and politics, show to him have today given him an authority, which no one except Mahatma Gandhi ever enjoyed. This does not arise from his leadership of the Congress. The fact that he grew up with the national movement and was one of its effective leaders in the struggle for independence has naturally made the common man in India identify him with achievements of independence itself. It is, however, necessary to emphasize that at least until 1951 his authority over the Congress was by no means unquestioned. It was actively challenged at the time of the election to the Presidency of the Congress of Mr. Purushottam Das Tandon, who represented forces against which Mr. Nehru had set his face. But after a short period of crisis the contest ended in Mr. Nehru's victory, and since that time Nehru's leadership has been unchallenged inside his own party.

Though his leadership of the Congress is not seriously challenged today, it is an error to conclude that his authority in the party is absolute. Apart from his own firm attachment to democratic principles and his consequent refusal to force his own views on the party, there have been numerous instances

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during the last five years when Nehru has had to compromise with opposition in his own party. Two outstanding instances will suffice to prove this point. During the period of public discussion relating to the reorganization of the states of India Mr. Nehru strongly advocated a policy of creating bigger units by the amalgamation of Bengal and Bihar in the east and Madras and Kerala in the south. But the opposition within the Congress proved to be too powerful and the project was quietly abandoned. Again, when it was known that the President, Dr. Rajendra Prasad, was not desirous of being re-elected Mr. Nehru strongly recommended Dr. Radhakrishnan, the Vice-President, as the Head of the State. But in view of the feeling inside the party that Dr. Rajendra Prasad should continue as President, Mr. Nehru withdrew his original proposal and accepted the view of the party.

In fact, Mr. Nehru is no authoritarian leader. The High Command of the Congress, even after 11 years of independence, contains many leaders who were Mr. Nehru's colleagues in the freedom struggle, who enjoy great prestige in the country and whose influence in the determination of policies is considerable. The federal character of the state which encourages the growth of provincial leadership is also a major factor to be considered in estimating Nehru's effective power in the country.

A Unique Leader

When all this is said, Mr. Nehru remains a leader of unique authority in India, enjoying the confidence of the people as a whole. Every major aspect of India's national activities during the last 12 years is identified with him: planned economic development, large-scale industrialization, the development of scientific research, progress in atomic work, the great social revolution inaugurated by the reform of Hindu law and the transformation of the village through community projects. All this has been inspired by him and identified with his personal leadership by the country as a whole.

A further significant fact about Nehru is that though he is the unchallenged leader of a party, he also enjoys the position of being a national arbiter. While other parties

in the country freely criticise the policies of his government, all parties, including the Communists, look to him to ensure that the scale is not weighted against them. An instance of this strange position with Nehru holding the ring so that opposition parties may have fair play is provided by the relations between the Kerala Government and the Congress Opposition in that state. In the last general elections Kerala returned a Communist majority, and thus became the sole unit in the Indian federation to have a non-Congress government. The Congress party in the state as the official Opposition has been carrying on a raging campaign, with the declared object of forcing the Central Government's hands to intervene and take over the power in the state. But in this Mr. Nehru has disappointed them and the Communist leaders in Kerala depend on Mr. Nehru's position as national arbiter to ensure fair play, as long as they work within the limits of the Constitution. Equally, the religious minorities in India, like the Muslims and the Christians, look to him to see that their rights are fully safeguarded.

No one who steps into Mr. Nehru's place as Prime Minister can expect to succeed to this unique position; and that is why the question, "who after Nehru?" is often raised, more outside India than within the country. Mr. Nehru is 68 this year, and with the condition of his health India can legitimately hope that he will continue to guide the nation for another five or six years. "What then?" is the question generally posed.

The answer seems to be clear. Democracy is essentially a political system of dispersed leadership. The unique leader, who symbolizes and represents the nation, is important only in a period of national crisis. At the start of India's independence, when her territory was being integrated, her democratic institutions developing and the major lines of development in the economic and social spheres shaping up—apart, of course, from the numerous problems arising from the partition—it was essential that the country should be guided by a leader of exceptional prestige, enjoying unchallenged authority. But the success of democratic processes depends not on exceptional leaders, but on the availability of leadership at all

levels. The questions that India has to face in this connection are two: Does the experience of the last eleven years show that Indian democracy provides opportunities for the development of this type of leadership and, secondly, does the Indian political system provide for the automatic selection of such a leader when the time comes?

New Leadership

It is foolish to be dogmatic about the future, but today a clear answer to both these questions is possible. The last few years have witnessed the emergence of new and younger leaders, capable of guiding India along democratic lines. It is necessary to emphasize once again the federal character of the Indian structure—a situation similar to that of the United States. It is not to the federal Parliament, or to the Central Government of India that we should look for the leaders of the future. It is in the constituent states of the Federation that new leadership manifests itself.

The Centre itself recruits its more important ministers from among those who have shown notable political and administrative capacity in state governments. The Home Minister of the Government of India, Mr. Govind Ballabh Pant, was for many years Chief Minister of the biggest state in India. The Finance Minister, Mr. Morarji Desai, was brought to the Centre after his successful administration of the great state of Bombay. The problem, therefore, is whether the state governments have been throwing up new men who can in time take the place of the leaders who came to the forefront during the period of India's national struggle. The question can, I think, only be answered in the affirmative, when it is realized that in such important states as Bombay, Madras, Andhra, Mysore, Kerala and Rajasthan the leadership is in the hands of men who have achieved political prominence after independence.

The second question is, does India have the machinery for selecting leaders when the time comes? The political parties in India are well enough organized to make a selection on a democratic basis for the acceptance of Parliament, and the danger, therefore, of any kind of interregnum or the failure of

leadership can be discounted. At all times the Congress and, following the Congress, the other political parties, have had a democratic and collective leadership. Even under Mahatma Gandhi this was an outstanding fact in India's political life. "Who after Nehru?" is, therefore, a question, which while undoubtedly important, does not seem to involve any danger to India's democratic development or her political stability.

Politics in a democratic country must be based on the organization of the general public into national parties. The position of parties in India is, to some extent, unusual. The Congress party, which controls the Central Government and is in effective power in all but one of the states, seems to dominate the politics of the country. To the superficial outside observer, India often appears to be a one-party state. In fact, this is far from being the case. The Congress party, for historical reasons, enjoys immense prestige in the country, and as far as the Central Government is concerned it is in an unassailable position. But in the states, the opposition parties are effective and politically count for a great deal (not to mention Kerala where a non-Congress government is in power).

The Congress Party

The dominant position of the Indian National Congress among the political parties in India developed primarily from its historic role in the struggle for national independence. Founded in 1885, it has reflected every stage in the growth of India's modern nationhood. After 1920, when Mahatma Gandhi took over its effective leadership, converted it into a mass organization and made it an instrument for the achievement of independence, the Congress became identified with the nation. But it should not be forgotten that until the eve of independence the Congress was not a party in the ordinary sense. It was a national movement which reflected practically every shade of opinion: from the extreme conservatives to the Socialists, the Communists having been excluded only during the war when they decided on a policy of co-operation with the British.

It was one of Mr. Nehru's achievements to

have gradually converted this national movement into a political party with a definite program covering all aspects of national life. The prestige of the Congress and the personality of Pandit Nehru have enabled it, even after its conversion to a political party, to maintain its hold on public imagination.

There are two aspects of the organization of the Congress which should be emphasized. The first is its democratic character. It is organized horizontally with district, provincial and All India Congress Committees, all elected on a nominal franchise—reflecting in effect the federal character of the Indian government. Secondly, its top leadership has always been collective. Not only are questions discussed openly in the All India Congress Committee which meets at regular intervals, but the President of the Congress is assisted by a working committee which consists of the main personalities of the party and has a broad territorial representation. These two features enable the party to reconcile national leadership with territorial interests.

Is the Congress hold on the country weakening? Before a definite conclusion can be reached on this important question it is necessary to consider the following factors. In transforming the Congress from a movement into a party, its leaders not only foresaw but may be said to have encouraged the creation of other parties with alternative programmes appealing for support to the country. Secondly, the Congress, in power for over 11 years, has suffered like every other political party from a reaction in the country. Thirdly, as a democratic organization, it is given to a great deal of self-criticism.

No one does this more effectively or more often than Mr. Nehru himself who is continuously pointing out to his followers the weaknesses, the loss of dynamism, the struggle for power inside the party, the failure to maintain contact with the masses and other obvious shortcomings of a party long in power. But it should not be forgotten that these criticisms are meant to awaken the party to its sense of responsibility, and must be considered mainly as self-criticism. Though the Congress has lost some of its prestige in the states as a result of local

conditions, broadly speaking it would be a mistake to consider that its hold on the country as a whole has weakened to any considerable degree.

Opposition Parties

Two other parties claim our attention because they challenge the authority of the Congress; the P.S.P. (or the Praja Socialist Party) and the Communists. Both these parties are organized nationally. Except for the Communists in Kerala, they have made no serious dent on the authority of the Congress; yet they polled a significant percentage of the votes cast in the general election. The P.S.P. which is a splinter party of the Congress suffers from the fact that there is no major difference in policy between it and the parent organization.

The Communist Party

The Communist party of India deserves much greater consideration. Its activities started seriously in the 1930's, but it had no national policy beyond that of carrying out the orders of the Third International, received through British intermediaries. Its attempt to penetrate the Congress did not meet with any great success, and consequently it did not count in national politics. But the War provided it with an opportunity. As long as Russia remained out of it, the Communists denounced the War as imperialist but after Hitler's attack on the Soviet Union, they became enthusiastic supporters of the war effort and worked in close co-operation with the British authorities in India. As a result of this strange and unnatural alliance against the national movement, the Communist party emerged after the War greatly discredited.

Nor were its actions in the period immediately following independence of a kind to win national favour. During the first three years of independence, the party followed a policy of "adventurism," of violence, industrial sabotage, wrecking of railways, and so on, with the object of creating chaos in the country, because the Communists proclaimed that the independence India had achieved had not liberated the people but had tied them more closely to British capitalism. But a change in tactics came with the

promulgation of the new Constitution. The party decided to contest the elections and though the Congress victory was overwhelming, in a few areas the Communists were able to gain some notable successes.

In the second general election in the spring of 1957, the party was able to gain a notable success in Kerala; with the help of a few independents the Communists took over the administration. The experiment of a Communist government operating within the framework of a democratic parliamentary system, facing a vigilant opposition and with an independent judiciary deciding on the legality of the government's actions is, indeed, unique. Clearly, since neither the dictatorship of the proletariat, nor revolutionary changes outside the provisions of the Constitution are possible, the party has been reduced to a policy of "reformism." The experience is, however, significant; it has already led to a reorganization of the structure of the party more or less on the lines of other national parties.

Both the P.S.P. and the Communists are important factors in India's national life, providing not only an effective opposition, but ensuring a progressive attitude on the part of the Congress in respect to the economic and social development of the country. It is likely that in the next election they may strengthen their position in some of the provinces and the Communists may even consolidate their position in Kerala. But the prospect of their assuming power in the majority of states or in the Central Government seems to be negligible.

Provincial Groups

Outside these three All India parties there are also certain provincial organizations which are not without significance in local politics. The *Jan Sangh* or people's party is, broadly speaking, a conservative organization, which speaks for orthodox Hindus. Its influence is mainly around Delhi, and its strength is derived from the large number of displaced persons from West Punjab (Pakistan), concentrated in that area. In the province of Orissa a new party (organized mainly by the dispossessed Princes who controlled the major part of that area before

India's independence) forms the main opposition to the Congress, and though its political significance is not very great the chances of its displacing the Congress in the area should not be overlooked.

Non-Communal Politics

Finally, one very important aspect of political life in India after her independence remains to be emphasized. During the period of British rule, political parties, apart from the Congress, were organized on a communal basis to represent the interests of the different communities in India. Hindus, Muslims, Christians, Sikhs and Scheduled Castes (untouchables) had their separate organizations which tended to emphasize the divisive tendencies in the country rather than national feeling. With independence and the development of a secular political life, the separate organization of communities has practically vanished. The Hindu Mahasabha continued for a time, until it was wiped out in the general elections. The Muslim League lost its purpose with the creation of Pakistan, and today exists only in name in Madras and Kerala. The case of the Scheduled Castes (untouchables) and Christian organizations is similar, and though some Sikh leaders continue to claim special privileges, the importance of their organization has greatly diminished with the growth of non-communal secular politics.

Briefly, although Nehru's personality and his prestige in the country help to overshadow other parties, the growth of political life in India and the strength of democratic forces working at all levels from the village to the national government have contributed to the growth of a healthy party system. While the party system so far has not been particularly effective at the centre, it has functioned with notable results in the states. It is unlikely that in the near future the Congress will be displaced as the leading party organization, even after Mr. Nehru's leadership ends. The growth of these All India parties, generally to the Left of the Congress, has prevented the Congress from losing touch with the people and from becoming an oligarchy.

In discussing India's industrial development, this author warns that industry must "create more opportunities for employment, not merely to take in those now unemployed, but also to absorb the additions to the labour force coming from the natural increase of population."

Industrial Progress in India

BY GEORGE KURIYAN

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It is true that the highest priority was given in the Indian first Five-Year Plan of 1951-1956 for agricultural development, including the building up of basic services like irrigation and power generation. This does not at all indicate that industrial development has in any sense attracted less attention. As far as the economic growth of an under-developed country like India is concerned, there is no conflict between agricultural and industrial development.

India has not yet entered the machine age and for any country in the mid-twentieth century to remain non-industrial is to dedicate itself to poverty and inefficiency. The relative backwardness of India's industrial development may be assessed from the simple fact that in 1948-1949 factory establishments, all together, accounted for only six per cent—one-sixteenth of the total national income—and the aggregate labour force employed in these undertakings was only 1.8 per cent—less than one-fiftieth, of the entire working population of the country! Even as recently

as 1953-1954, mining, manufacturing and hand trades jointly accounted for only 16.1 per cent of the national income; and commerce, communications and transport constituted as little as 17.7 per cent, while agriculture, including exploitation of animals and vegetation, was responsible for 51.3 per cent.

In the aggregate, India's industrial output may seem massive, but, per head of population, it is very much lower than what it is in the advanced countries. India, which at one time was greatly skilled in industries and was a great emporium of trade (so great as to be sought after by the various East India Companies) is now condemned to a perpetual holiday. The growth and development of industry is of great significance, not only because of the increase in economic output which follows in the wake of industrialization, but also because it keeps the hands of educated youths in creative work, free from unemployment, and without drifting into undesirable political activity.

The industrial development of any country is to a large extent dependent on the organized development of power resources. Great strides have been taken in the near past in the generation and distribution of hydro-electric power, the most important, perhaps the sole source of energy, which the country has in an abundant measure. A considerable number of major river valley projects, like the Bhakra-Nangal, Damodar Valley, Hirakud, Tungabhadra, Machkund, Kosi Valley and a host of other minor ones have all been actually commissioned, or are nearing completion. It is estimated that during the past five years, the increase in the generation of electrical energy has been of the order of more than 1.1 million kilowatts,

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indeed, a phenomenal achievement which gives room for optimism.

In a land of villages like India, large scale generation and distribution of electrical energy would create ideal conditions for providing energy for augmenting agricultural production by means of tube well irrigation, or for the processing of agricultural products in villages, or for the establishment of cottage industries giving fuller employment to the agriculturists, now only seasonally employed. Furthermore, it would also provide opportunities for decentralizing industries, so the rural worker would not have to move from his ancestral village home to an urban centre, adding to the already existing serious socio-economic problems in the cities.

Prior to the First World War, the only modern industries were cotton and jute processing, for both of which exceptional natural advantages existed. Since the 1920's, a more progressive industrial policy was initiated by the then Government of India (British) which, in its wake, resulted in the birth of several industries, like the production of iron and steel, sugar, cement, and so forth, most of which, by 1939, became large enough to meet the rather low home demand.

The Second World War, 1939-1945, created extreme scarcity conditions for imported commodities, which in turn produced a pressing demand for the maximum utilization of the existing capacity in all Indian industries. This resulted in an apparent increased industrial output. But the conditions were not really favourable, because, during the war and post-war period, industrial development was influenced largely by prevailing inflationary conditions and scarcities. Consequently, the dominant long-term factors, such as geographic location, scale of operation, the availability of raw materials, the size of the market, other financial considerations, and so forth—none of these received the attention they deserved.

In the established industries, several multiple shift systems were introduced and the difficulties regarding imports of spare parts, depreciation of plant, and a host of others led to a large accumulation of arrears which it will take a long time for the country to

make good. The major emphasis has been on consumer goods at the expense of basic capital goods. By 1956, it was generally felt that the consumer goods industries, like cotton textiles, sugar, soap, matches, were able to meet the existing low level of demand but in capital goods industries and in the manufacture of intermediate products, the available capacity was less than half the volume of the existing demand.

Capital Goods Industries

Naturally, therefore, in the Second Five-Year Plan much greater emphasis has been laid on the capital goods industries. The Government of India and the governments of all the States together are proposing to incur over the five-year period, 1956-1961, a total outlay of \$10 billion, more than twice the outlay of the first plan, to be allocated as follows:

9 per cent on irrigation, another 9 per cent on power generation, 12 per cent on agriculture, 19 per cent on industry including mining, 20 per cent on social services, housing and rehabilitation and 29 per cent on railroad transport and communications.

Besides this, in the private sector, it is expected that investment for about \$2.5 billion, nearly 25 per cent of the government quota, will also be forthcoming towards industrial expansion.

The highlight of the Second Five-Year Plan is a big increase in steel production. The iron and steel industry of India is, at present, mainly concentrated in Bihar and West Bengal, in very close proximity to the deposits of coal and iron ore. The iron ore resources in this region are one of the largest in the world, extremely rich, with a metallic content between 60 per cent and 75 per cent, and the conditions of occurrence are such that they can be extracted by open cast, or adit methods. The other two essential ingredients of the industry, dolomite and manganese, also occur under similarly favorable circumstances. The most serious handicap, however, is the lack of adequate reserves of good coking coal; it is available only in moderately large quantities at Jherria and even Raniganj coals have to be mixed with Jherria coke before they can be used as blast furnace fuel.

Nevertheless, the proximity of coal, iron, manganese and dolomite gives to the iron and steel industry of India an advantageous location, almost unparalleled in any other part of the world. It is hoped that as a result of the remodelling that is now taking place in the Tata's plant at Jamshedpur, the Indian Iron and Steel Company's plants at Burnpur, Hirapur and Kulti and the Bhadravathi Plant at Mysore, the output at these three will themselves be augmented by more than 80 per cent to approximately three million tons.

Further, to increase the production of steel, three new plants are being set up, one at Bhilai in Madhya Pradesh, a second at Rourkela in Orissa and a third at Durgapur in West Bengal, each with a million tons ingot capacity, and it is expected that by 1961 the Indian output of steel will rise to four million tons or more.

The composition of the three new plants, whatever the form, nature and ownership of the industry, be it state or private, has demonstrated that at the present stage of India's industrial development and foreign exchange, its growth must mainly be the fruit of international co-operation, both financial and technological. At Rourkela, there is only technical co-operation from Krupps Demag, while at Bhilai and Durgapur, in addition to technological co-operation and assistance, over one-third of the established capital cost is covered by deferred payments from the governments of the U.S.S.R. and the United Kingdom, respectively. The stepping up of the output of iron and steel, in itself, will create large demands for coal and it is hoped that by 1961 production will increase from the present figure of 37 million tons to 60 million tons.

It looks as though Tata's alone are adequately provided with the necessary raw materials of iron ore and coal in close proximity, while the conditions for the Indian Iron and Steel Company and the new steel plants do not appear to be so good, and the Government has adopted a rather unorthodox method to offset these disadvantages by an equalization of the prices of all raw materials including coal and of the finished products of iron and steel throughout the country.

This is, however, a policy which is open to grave criticism, because as a result of this, the cost of production, at least in the centres with advantageous factors of location, has been considerably enhanced through such legislative measures, and the natural advantages of a site like Jamshedpur located within 115 miles from coal, 45 miles from iron, 110 miles from dolomite and 154 miles from the market at Calcutta have all been sacrificed by a stroke of the pen.

The customary measure of productivity is the amount of total production divided by the number of workers employed; and measured in terms of this metre, industrial productivity has gone down substantially since 1939, by almost 20-30 per cent. To take the example of Jamshedpur, it is found that the annual production per labourer has gone down from 24.4 tons in 1939 to 16.3 tons in 1949, and in the factories of the Indian Iron and Steel Companies, during the same period, the corresponding figures in the steel section are 51 and 31 tons respectively. In other words, the cost of production in terms of real resources has considerably increased.

It is not easy to locate the exact causes of this development. The strain on machinery and equipment during the war, the irregular supplies, as well as inferior, non-uniform quality of raw materials, and perhaps some deterioration in standards of organization, management and discipline among the workers—all these have probably contributed. The management has thrown the responsibility on labour and has stated that labour is working below capacity; on the other hand, labour has protested that plants are antiquated and that managerial efficiency is at a low ebb. All the same, it must be confessed that the number of workers employed in this industry, compared with similar plants in other parts of the world, appears to be excessive and for various reasons the industry is not able to reduce employees to a reasonable level. A curtailment of the present complement of labour appears to be a *sine-qua-non* before steel prices can come down; but this is likely to result in serious labour strikes and an extremely complicated labour problem. In any case, this question needs very careful study.

Textiles

The cotton textile industry in India is not merely the largest in the country, but from the world point of view, India ranks second as a consumer of raw cotton and third as a producer of yarn and cloth. There are really two different sectors in the industry, the mill industry and the handloom industry; the former has a labour complement just under one million, while the latter has as many as 2.5 million workers.

In 1951, there were 426 mills, 10.5 million spindles, and 195,000 looms; but by 1956, there were 461 mills, 12 million spindles and 207,000 looms. Against a requirement in excess of five million bales of raw cotton for the full rated capacity of the industry, the internal production was only three million bales. Indeed, India has had to pay a prohibitive price for securing political independence in 1947, since many of the cotton growing tracts of the Punjab were ceded to Pakistan on partition.

For an estimated population in 1956 of 380 million, the total production was about 6.85 billion yards, including hand looms and power looms; and setting apart 900 million yards for export, the balance for internal consumption was as low as 15.9 yards *per capita*.

It is hoped that by 1961, production will increase to 8.4 billion yards, actually an increase of nearly 25 per cent in five years, indeed, a significant spurt. But even then, after setting apart a billion yards for export, the quantity available for internal consumption against an estimated population of 400 million would only be 18.5 yards *per capita*.

Jute

The next important textile industry is jute, which really has been hit even harder by partition. There are 110 jute mills in India, of which 101 are in West Bengal, and of these more than 90 are in the city of Calcutta itself. For their full rated capacity production, they require about 7 million bales of raw jute, but the home production falls very short of it. With governmental fillip, and financial and technical assistance rendered by the industry, the home production reached the peak figure of 3.3 million

bales in 1950-1951, since when it has declined. For the production of raw jute, it looks as though geographical factors are much more significant than any which man can artificially generate. Furthermore, Indian raw jute is of poor quality and the requirements of the industry are such that it is just as significant to have an increase in quality as in quantity.

The jute mill industry in India is likely to meet with even more serious difficulties in the next few years, especially because Pakistan with its rich and monopolistic resources in raw material can surely develop this industry. It would, therefore, be sagacious for the jute millers to think of a change to cotton manufacture by suitable adjustments of their mills.

Cement Industry

Since its inception in 1915, the rated capacity of the cement industry has more than doubled itself every decade, and during the last few years, it has increased even more rapidly from 2.29 million tons in 1948-1949 to 3.29 million tons in 1951-1952; and to five million tons by 1956-1957. Nevertheless, now and again, imports are necessary to meet the home demand. The second Five-Year Plan has set the annual target at 15 million tons, and it is hoped that production will increase to about 30 million tons by 1966. This is, perhaps, a bit over optimistic.

Good deposits of limestone, by far the most important raw material for the cement industry, occur only in a few places in India and the more easily accessible supplies are now being consumed at an extremely rapid rate, with the result that the industry is compelled to transport its essential raw material of limestone over considerable distances. For future development, it is certain that the factories will have to be located at the site of occurrence of limestone, that is, in Saurashtra, Rajasthan, Madhya Pradesh, the coral reef coast of Madras, and so forth, all of which happen to be far away from coal. Furthermore, the important consuming centres of the Gangetic belt are all located at great distances from the sources of raw material, so that expensive transport of coal on the one hand and of finished products on the other appears inevitable.

Gypsum, the other important raw material, is also in short supply, especially in view of the increased quantities now in demand by the fertilizer industry. It looks as though the cement industry, therefore, will performe have to use cheap and inferior qualities of gypsum which will enhance the cost of production.

The *per capita* consumption of cement in India, as compared with the countries for which statistical information is available, is the lowest in the world: 27 lbs. as against 90 lbs. in Japan, 400-500 lbs. in the United Kingdom and the United States, and 700 lbs. in the Scandinavian countries. The total number of persons employed in the industry is about 40,000 at present, and the man-hours per ton employed in India are about 15 to 20 times the corresponding figure for the United Kingdom and the United States. In spite of the so-called cheapness of Indian labour, the cost of labour per ton is actually much higher in India than in the United Kingdom or the United States.

Aluminium Industry

Aluminium is the only non-ferrous metal, the resources for which are abundant and widely dispersed (especially extensive deposits of bauxite) throughout the peninsula. Adequate supplies of hydro-electric power can also be obtained at reasonable rates from the large river-valley projects, and *prima facie*, the conditions for development of an excellent aluminium industry appear to be rosy. There are two aluminium factories in the country, one at Alwaye in Kerala, based on local hydro-electric power and the other at Jaykay Nagar, near Asansol, dependent on thermal energy.

The factory at Alwaye obtains its supply of alumina from its own plant at Muri in Bihar and the pigs manufactured at Alwaye are rolled into sheets and finished goods at Calcutta, indeed, a colossal waste of transport. On the other hand, the Jaykay Nagar unit is a single integrated plant which takes in the bauxite at one end and produces either rolled metal, or finished products at the other. The two plants put together have a total annual rated capacity of 4,000 tons of ingots and the rolling mills, a rated capacity of 3,500 tons. The aggregate capacity

of the alumina plants is about 15,000 tons which definitely offers scope for further expansion.

Several problems, however, confront this industry, the foremost being its dispersed character, especially of the Alwaye plant. But perhaps just as important is the fact that both these plants are too small, one with 2,500 tons capacity and the other with 1,500 tons. It is said that the optimum size of an aluminium plant is somewhere about 15,000 to 20,000 tons and unless gigantic large scale methods are adopted, the cost of production of aluminium in the country is not likely to come down.

Thirdly, Indian bauxite is more expensive to mine; it requires more grinding and a higher temperature and concentration of the digesting liquor, which augments the consumption of bauxite per ton of aluminium manufactured. Raw materials, like petroleum coke, are also expensive. Lastly, electrical energy, which is consumed in enormous quantities, both for the production of alumina and for the pigs, the cheapness of which constitutes the prime factor in the successful manufacture of the metal, both in Canada and the United States, is neither so abundant nor inexpensive.

Put together, all these factors militate against a considerable expansion of this industry, although with the new sources of electrical energy being made available in the multi-purpose dams, its price may come down in the future. It is, therefore, clear that the indigenous aluminium industry cannot easily hope to compete with Canada, the United States and the United Kingdom in the export markets of the world, and the chances are that, at best, India can try to meet its own home demand of approximately 16,000 tons a year; 10,000 for domestic consumption, mostly in the form of utensils, 2,500 for cables, 2,000 for industrial sheets, and the rest for defence purposes.

Fertilizer Industry

The application of adequate quantity of fertilizers is essential not only for stepping up agricultural production, but equally for the prevention of soil erosion and for the continued maintenance of soil fertility. Indian soils are usually deficient in humus

demanding the application of organic fertilizers, but for repeated good results, this also has to be supplemented by adequate quantities of nitrogen, phosphorous and potash. Application of phosphatic fertilizers is perhaps even more important than nitrogenous ones because phosphorous not only helps to keep the soil fertile but also prevents soil erosion by promoting the growth of a good plant cover.

The only inorganic fertilizer that is now being used in large quantities is ammonium sulphate, originally produced as a by-product in the coke ovens. There are now several plants at Mysore, Alwaye, and so on. Assuming that nitrogenous fertilizers are applied on a country-wide basis, over all soils, for all crops, the annual requirements of ammonium sulphate have been estimated at 12 million tons.

The manufacture of ammonium sulphate normally requires either gypsum, or some alternative resource like pyrites or sulphur, for producing cheap sulphuric acid. On the basis of utilizing the gypsum resources at Khewra (now in West Pakistan) approximately at the rate of 21,000 tons per day, the Sindri fertilizer factory was originally designed, but on partition in 1947 India had to look for alternative sources; fortunately they are now being obtained from Bikaner, and Jodhpur. Lack of the essential raw material, gypsum, which, as has been shown already, is an important raw material for the cement industry also, is likely to be a serious bottle-neck for further expansion of the ammonium sulphate industry.

Before the Second World War, superphosphates were manufactured on a small scale, but since then, several factories have come into existence, all of which together produce about 70,000 tons annually, against an estimated requirement in excess of one million tons. It is true that bone and bone meal are applied by the cultivators, but the quantities used are hopelessly inadequate. At present, rock phosphate, the raw material of this industry, is imported from Egypt and Morocco, since the internal resources at Trichirapally in south India and Singhbhum in Bihar are found to be of unsuitable quality. Much greater attention should be devoted to improving the supplies of the

indigenous raw material and the chemical industry should try to evolve a method of utilizing Indian rock phosphates for the manufacture of phosphatic fertilizers.

With an increasing demand for food from a growing population during the last 15 years, considerable emphasis has been laid on the "Grow More Food Campaign" and the role of chemical fertilizers in augmenting production has become an accepted fact. The Sindri fertilizer factory, the largest of its kind in Asia, and one of the largest in the world, was commissioned in 1951 and since 1954, it has been producing its full rated capacity of 350,000 tons of ammonium sulphate per annum. Some of the difficulties are the problem of transport and lack of fresh water supplies. To some extent, these are being solved by the construction of an additional railroad from the coal field at Jherria to the factory at Sindri and by the construction of the Gowri dam in the Damodar Valley to meet the shortage of water. Paradoxical as it may seem, despite all the unemployment in the country, both among the educated and uneducated classes, another major problem has been to find suitably qualified workmen in all grades.

Sindri has certain distinct advantages of location; on the north bank of the perennial water resources in the river Damodar in Bihar, 15 miles away from the important industrial centre of Dhanbad in the heart of the coal belt in India, it was planned and initiated by the British, but completed after independence. The fertilizer target of the country under the second five-year plan assumes three more Sindris.

In addition to all these major industries, there have been various other minor industries developed during the period, even a catalogue of which cannot be attempted here. Much emphasis has been laid on the manufacture of agricultural machinery, pumps, tractors, diesel engines, bicycles, and so forth. But it must be confessed that the demand for these things, other than bicycles, especially tractors and diesel engines, has fallen far short of anticipation, the reasons for which remain still a mystery; whether it be the lack of capital for installing the modern machinery, or something else, one does not know.

The target of the Government of India has

been to attain self-sufficiency for railroad locomotives, vehicles and waggons through internal production, and towards this end, two locomotive works were established, one at Chittaranjan, near Asansol, and the other in collaboration with Tata's at Jamshedpur. Manufacturing capacity at present is rated at 170 locomotives and 50 boilers per year. In addition, nearly 6,000 waggons are also manufactured within the country, just sufficient to meet the normal demands of replacement of 5,000 old ones, and an addition of 1,000 new ones, perhaps, inadequate to meet the over-all demands of the Second Five-Year Plan.

However, it looks as though transport, would be the most serious problem when all five iron and steel plants are in full production by 1961. With the single lines of railroad which now exist, would it be possible to transport all the raw materials to these five steel centres and to remove from them the finished products to the consuming markets among which Calcutta will be the most dominant? Every ton of steel manufactured requires at least one and a half tons of coke, approximately equivalent to two and a half tons of coal, two tons of iron'ore, half a ton of flux and one ton of other ingredients, making a total of six tons of raw materials and one of finished products. It looks as though, even on a very conservative estimate, 50,000 waggons, approximately one-third now in commission, will have to be set apart solely for the transport of coal from Jherria and Raniganj. If the demands for the other raw materials like iron ore, dolomite and manganese are added, it will be found that nearly half the waggons in the country will have to be set apart, to meet solely the needs of the Iron and Steel Industry.

Rough calculations show that the entire railroad from Bhilai to Calcutta and from Raniganj and Jherria to Jamshedpur will be dominated completely by trains either conveying raw materials to the smelting centres, or removing the manufactured products to the consuming markets; there will be no possibility at all for any other trains, passenger trains or mail trains to use these lines. Unless there is an immediate multiplication of the railroads in this tract, the transport bottleneck would finally determine the volume of

output. Otherwise, greater attention must be devoted to the construction of canals for transport in barges, as is done in Germany. The primary geographical considerations apparently suggest excellent possibilities for development of such canal traffic, which should considerably reduce the cost of transport, so as to make Indian iron and steel still cheaper on tidal waters at Calcutta.

During the period of the First Five-Year Plan, India made significant progress, both in the agricultural and industrial fields. Agricultural production, in which more emphasis was laid in the plan, increased from 50 million tons to 65 million tons, i.e., by 30 per cent and in the industrial sector also the results were equally satisfactory, both in terms of utilization of already existing capacity and of new plants installed in various manufacturing industries. But all the same, the increase in employment opportunities appeared to lag behind the growth of the labour force, a state of affairs which gives room for scepticism. The national income during the period 1951-1956 rose by 17.5 per cent but it is estimated that nearly 13 per cent of it was in the first three years, purely as a result of better agricultural conditions consequent on the exceptionally good monsoon rainfalls during the three years 1951-1954; and in the last two years, 1955 and 1956, the increase in national income was only nominal. Exact figures are not readily available regarding the increase in either the national income since the commencement of the second plan, or the gross output of manufactured commodities, nor are precise data regarding unemployment obtainable. But from general estimates, it looks as though the conditions today are not much better than in 1956 and there has been no real spurt forward.

Obviously, therefore, the tempo of the plan has to be accelerated during the next two years to create more opportunities for employment, not merely to take in those now unemployed, but also to absorb the additions to the labour force coming from the natural increase of population. This is exactly what is now under contemplation; but unless some positive anti-inflationary measures are planned and executed carefully, this injection of money may lead to higher prices with a decline in real incomes.

According to this agricultural specialist, the basic "problem is that the unit of cultivation and management in India is too small . . . and it is difficult . . . to secure satisfactory results in terms of output and productivity." To solve this serious problem, India must "evolve a cooperative pattern of land ownership and management, with special emphasis on local self-governing institutions functioning in consonance with the ideal of a democratic society."

India's Agricultural Development

BY J. J. ANJARIA

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A SUBSTANTIAL increase in agricultural production has been a principal aim of developmental planning in India since the commencement of the First Five Year Plan in 1951. The First Plan accorded top priority to development of agriculture, including irrigation and multipurpose projects. Of the total plan outlay of 20,000 million rupees,¹ some 36 per cent was devoted to this purpose. In the Second Five Year Plan (1956-1961), there has been greater stress on industrialization, so that industry, mining and transport absorb more than 50 per cent of the proposed outlay of Rs 48,000 million. Agricultural programs, including irrigation, flood control and national extension, were allotted about 22 per cent of this total. Although there has thus been a marked relative shift in priorities, and the plan outlay has since been reduced to Rs 45,000 million, the aggregate financial outlays on agricultural improve-

ment programs in the Second Plan are expected to be larger than in the First Plan period.

In appraising the progress of agricultural plans in India, it is necessary to bear in mind the inherent complexity of the task. Some 75 per cent of the area under cultivation is devoted to food crops, which are raised mainly on the basis of subsistence farming. The area and yield under commercial crops have grown, but the success of agricultural planning depends upon the response of the millions of small food-growers who follow age-old ways of farming and are ill-equipped, both financially and psychologically, to take advantage of improved techniques.

Table I (following page) gives the trend of agricultural production since 1950-1951. As will be seen from Table I, there has been, on the whole, an upward trend in production, both of foodgrains and of non-food crops. But there have been large variations from year to year, especially in the case of food crops, and it can hardly be argued that the results are commensurate either with the requirements of a growing population or with the potentialities for increased productivity.

Population has been increasing at the rate of 1.5 per cent per annum. According to an estimate worked out in the Census Report for 1951, the productivity of agriculture (in respect of all crops) in that year was 70 million annual tons, and it was estimated that the requirements of agricultural productivity

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¹ The rupee is worth 21¢.

TABLE I: INDEX OF AGRICULTURAL PRODUCTION
1950-51 TO 1957-58
(Base: Year ending June 1950 = 100)

	Cereals & Pulses	Other Crops*	Total
1950-51	90.5	105.9	95.6
1951-52	91.1	110.5	97.5
1952-53	101.1	103.8	102.0
1953-54	119.1	104.7	114.3
1954-55	115.0	120.9	117.0
1955-56	115.3	120.0	116.9
1956-57	120.5	130.4	123.8
1957-58	107.3	125.7	113.4

* Includes cotton, jute, oilseeds, tea, sugarcane, tobacco, spices, etc.

would go up, with the progressive increases in population as follows:

TABLE II

Population (in millions)	Needed agricultural productivity (million annual tons)
1951	360
1961	410
1971	460
1981	520

In other words, between 1951 and 1961, the productivity of agriculture would have to go up by 21 per cent (from 70 million tons to 85 million tons) in order merely to maintain the current levels of consumption.

First Plan Results

In the First Plan, the target of increased foodgrains production was 7.6 million tons; the increase actually realized was 11.8 million tons. Performance in this respect was 55 per cent above the initial expectations. The increase in the output of oilseeds by the end of the First Plan was 40 per cent above the plan target, while that of cotton, jute and sugar cane was 87, 44 and 51 per cent of the respective targets. On the whole, agricultural output recorded an increase of more than 20 per cent. While this was satisfactory in itself, it could not be said that the outcome was directly related to the investments made in the plan period. A major factor in the situation was the very

favourable monsoon in 1953-1954. Foodgrains production declined in the two subsequent years, and although other crops were better, total agricultural output in 1955-1956 was only slightly more than in 1953-1954.

The Second Plan envisages an increase of 15 million tons (i.e., 24 per cent) in foodgrains production and sizeable increases in cotton, oilseeds, sugar cane and jute. It was stressed that the success of the industrialization effort proposed in the Plan would depend materially upon the achievements in the agricultural sector. The Plan provides for irrigation facilities to cover an additional area of 23 million acres; and schemes for multiplication and distribution of improved seed, for promoting the use of fertilizers and manures, for soil conservation, for animal husbandry and for improvements in credit and marketing are in hand. A large part of the countryside—about two-thirds—will be covered under the community development and national extension programs by the end of the Second Plan period.

In 1956-1957, the rains were fairly good, but 1957-1958 was a bad year. The output of foodgrains in 1957-1958 was the lowest on record since 1953-1954. These variations in annual output do not, of course, reflect the success or failure of the agricultural improvement programs being undertaken. They merely show that in spite of the advances being made in the field of irrigation, agriculture in India is still dependent mainly on the rains. The area under irrigation is still only about 20 per cent of the total.

The 1958-1959 monsoon has, again, been good. The rice crop for the year (which has already been harvested) is estimated at about 29 million tons as compared to 24.8 million tons in 1957-1958, and present expectations are that total foodgrains production this year should be around 69 million tons as against 62 million tons last year. What the trends for the remaining two years of the Plan will be it is difficult to say. A projection worked by an expert committee about the middle of 1957 puts the probable increase by the end of the Plan period at about 10 million tons, which is two-thirds of the Plan target. The fact is: not until a substantial proportion of the arable land comes under irrigation and a new crop pattern based on this has evolved can any dependable forecasts be made.

It must be emphasized, nevertheless, that the production potential of the agricultural sector is being strengthened significantly year by year as a result of the irrigation and other schemes under implementation. Productivity per acre has also shown an upward trend, although the increase is neither pronounced nor continuous.

Structural Weaknesses

If the results so far obtained are not up to the mark, this is not because the direction of effort is wrong, but because firstly, the scale is inadequate and, secondly, the structural weaknesses of the rural economy represent a bottleneck difficult to break. It is fully recognized that improved agriculture is the base on which the industrial edifice has to be raised. The problem now is to organize further advance on a more assured basis. This is the problem to which the Planning Commission, the Central Government and the States are giving earnest consideration.

India has already imported about seven million tons of foodgrains since the Second Plan began. Of this, some 4.4 million tons of wheat have been received under United States Public Laws 480 and 665, and a further allocation of some three million tons has recently been announced. Valuable as this assistance has been, the aim of India's plans must be to increase agricultural production sufficiently to meet not only current demands

but the new demands that will arise as employment increases. The avoidance of inflation as investment proceeds and the keeping down of import needs depend upon the degree of success attainable in this respect. It should not be forgotten that the per capita net availability of cereals which increased from 12 oz. per day in 1952-1953 to 13.4 oz. in 1953-1954, went down to 13.2 oz. in 1956-1957 and further to 12.3 oz. in 1957-1958. (These calculations are based on production plus net imports minus allowance for seed, wastage, etc., but take no account of changes in stocks.)

One of the objectives of the Second Plan was to create employment opportunities sufficient to absorb the new additions to the labour force. This has not in fact happened. The limit to the creation of employment opportunities in an underdeveloped economy is partly the lack of cooperant factors such as capital, but in part it is the availability of food on which the bulk of the new incomes is likely to be spent. All indications thus point to the need for a larger and more sustained effort to place India's agricultural economy on a sound and progressive basis.

Rural Development

Both in the First and Second Five Year Plans, it was stressed that agricultural planning involves much more than investment by Government in providing overheads like irrigation, roads, schools and national extension services. It calls for a coordination of the activities of all rural development departments, a new outlook on the part of the agriculturist and certain structural changes in the rural economy designed to release new productive forces. As the Second Plan puts it, the object is "to remove such impediments upon agricultural production as arise from the agrarian structure" and "to create conditions for evolving as speedily as possible an agrarian economy with high levels of efficiency and productivity."

These wider aspects of the Plan have received considerable attention in the last few years. The community development and national extension movement initiated in 1952 and expanded rapidly since then aims at promoting the coordinated development of the rural areas by offering the villagers

financial and technical advice and sponsoring local projects of common benefit to which the community contributes free labour.

This effort has met with encouraging response, and there is in the rural areas today an unmistakable urge to improve living standards and to achieve economic progress. In the initial stages, the accent in these programs was on the provision of amenities, like roads, schools, tanks, and so forth. But programs are now being oriented towards increased agricultural production. By 1963, all of India's 500,000 villages will have come under these programs.

The Basic Problem

Basically, the problem is that the unit of cultivation and management in India is too small and it is difficult, until cooperative organizations develop adequately, to secure satisfactory results in terms of output and productivity. On the basis of data collected by the Rural Credit Survey, about 50 per cent of the farm units in India secure gross output valued at Rs 600 (\$126) a year, and a further analysis of the farms reporting gross produce of Rs 400 or less showed that 29 per cent of the total cultivators had gross produce below Rs 200 a year and 21 per cent had gross produce between Rs 200 and Rs 400.

An essential element in land policy must, therefore, be the reconstitution of these units into viable ones. The Reserve Bank has taken steps in recent years to increase its lendings to cooperative credit institutions. Both cooperative credit and cooperative marketing are being promoted vigorously, but the indigenous money lender still remains the principal source of rural finance. Intermediary tenures in land have been abolished; agricultural rents have been scaled down, and legislation has been passed to ensure fixity of tenure to tenants. But not until the agricultural community organizes itself cooperatively for efficient production, linked closely to credit and marketing, can the full benefits of the public investment programs and of the various institutional changes now under way materialize. Increase in production and in the marketable

surpluses so essential for supporting a rising tempo of development depends essentially on structural changes in this direction.

Conclusion

Experience so far with developmental planning in other countries has shown that the agricultural problem is the most stubborn of all. Except in England, where the agrarian revolution preceded the industrial revolution, the task of creating sufficient agricultural surpluses has proved difficult. In Japan, for instance, rice production during the early stages of development (1879-1903) increased by only 40 per cent. In the U.S.S.R. and in several Eastern European countries, agricultural output lagged behind industrial development for considerable periods. In some countries, this led to the creation of compulsory organizations of farmers, and even so, opinions as to the results achieved vary. China is reported to have almost doubled her food output since the great drive a couple of years ago to organize "cooperatives" on a countrywide scale, and the communes represent a further step towards total mobilization of the rural community for production. These are changes not merely of degree, but of kind. It is not easy to pronounce a judgment on these "total" changes. What can be said is that a democratic society, seeking rapid development, has to endeavour to create an environment in which comparable results can be attained.

For India, the ultimate goal is to evolve a cooperative pattern of land ownership and management, with special emphasis on local self-governing institutions functioning in consonance with the ideal of a democratic society. The role of the State is crucial, but it is, in essence, educational and promotional. This, it can be argued, does not ensure a rapid enough pace of advance. But who knows? To quote an ex-Ambassador of the United States to India:

When we consider the distance India has left to go, there is sober reason for concern. But when we consider the distance she has covered since independence, there is reason for measured confidence.

Received At Our Desk

New Books on India . . .

PILOT PROJECT, INDIA. By Albert Mayer and Associates in collaboration with McKim Marriott and Richard L. Park. Foreword by Pandit Govind Ballabh Pant. Illustrated. (Berkeley and Los Angeles: University of California Press, 1958. 367 pages, glossary, references and index, \$5.50.)

Albert Mayer is an architect and town planner who was in India as an army engineer during World War II. In 1945 he met with Nehru and discussed setting up pilot projects or "model villages" to meet the "demand for a better life" as anticipated by India when she received her expected freedom after the war. In 1946, Nehru asked Mayer to return to India for just this purpose. The book which results is "the story of rural development at Etawah, Uttar Pradesh."

Pilot projects are predicated on economics, "in terms of more or better product and income in agriculture, animal husbandry, irrigation, marketing, roads, consolidation and partial co-working of holdings, fish culture, local industry. . . ." They are directed towards a "general improvement of the quality of village life, health, sanitation, housing, and community facilities. . . ." The purpose is "to see what degree of productive and social improvement, as well as of initiative, self-confidence and cooperation, can be achieved in the villages of a district not the beneficiary of any set of special circumstances and resources, such as hydroelectric development."

The book next deals with the problems of setting up a self-functioning economic unit and an evaluation of the success of such a unit. More than planning, coordination and administration of all the various phases of economic and social life is required: "The fact is that technique without great imaginative adaptability, without skill in personal relations and

without sensitivity to situations and people, will not deliver the goods." This volume is an excellent case study of "the physical and social reconstruction" of an Indian village.

THE DIPLOMACY OF INDIA. By Ross N. Berkes and Mohinder S. Bedi. (Stanford: Stanford University Press, 1958. 221 pages, notes index, and preface, \$5.00.)

This book is a study of India's role in the United Nations as a reflection of India's foreign policy. If India were to stand up and be counted "on the long, kaleidoscopic parade of twelve years of United Nations business," according to the authors, "a remarkably sharp picture of Indian foreign policy would result." However the major measuring stick for evaluating Indian foreign policy seems to be foreign policy pronouncements, and Nehru's speeches. The most embarrassing aspect of India's, and Nehru's foreign policy, "its susceptibility to charges of a double standard regarding issues of Good vs. Evil," is never adequately explained by the authors. However their language is strong in accusing India of being "so publicly insensitive to the evils of communist rule."

The authors divide Indian foreign policy into two spheres: In the field of great power diplomacy, India has arduously worked to replace the "climate of war" with a "climate of peace." As an underdeveloped country itself, India has worked to eliminate colonialism, to promote national determination and individual freedom, and the economic development of the "have-not" nations.

THE HEART OF INDIA. By Alexander Campbell. (New York: Alfred A. Knopf, 1958. 333 pages and index, \$5.00.)

In a country where, as the author points out, "a baby is born every four seconds or so, and the already enormous population increased by 5,000,000 each year,"

one may expect a very different attitude toward life and death, murder and accident, hunger and famine. This account of India as *Time's* reporter Alexander Campbell saw it when he lived in New Delhi underlines the poverty, the ignorance and what to Campbell seemed the barbarity of masses of Indian people. His graphic accounts of the investigations of Indian *suttee* and cannibalism, of religious belief and superstition, might well have moved the publishers to compare the book to Katherine Mayo's *Mother India* on the dust jacket. The book is well-written, and perhaps it will shock only the well-meaning American liberal who wants to romanticize the Orient. But there is little doubt that educated Indians will dispute the author's claim to describing "The Heart of India." Surely no Western observer should make so pretentious a claim.

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History and Politics . . .

COLLECTIVIZATION OF AGRICULTURE IN EASTERN EUROPE. Edited by Irwin T. Sanders. (Lexington: University of Kentucky Press, 1958. 214 pages with appendices, \$5.00.)

Agriculture has often been called the "Achilles Heel" of the Communist world. The opposition of the peasantry to the collectivization of agriculture, and to the social revolution which it brings, continues to plague the Communist leadership. Efforts to induce the farmer to increase his production and productivity have alternated between the excesses of coercion and the promises of a higher standard of living. Thus far, the Kremlin has been unable to devise a completely satisfactory formula.

The series of essays contained in this interesting volume resulted from a seminar on Collectivization in Eastern Europe held at the University of Kentucky. Space does not permit a detailed commentary on the five main papers presented. However, they bear the imprint of careful scholarship and wide knowledge of an extremely important area of specialization. As such, they are a welcome addition to our growing body of literature on the Communist

world. Professor Philip E. Moseley's essay on "Collectivization of Agriculture in Soviet Strategy" and Dr. Nicholas Spulber's analysis of "Collectivization in Hungary and Rumania" may be singled out for special attention. The specialist will find much of value and interest, but the going may be a bit slow for the uninitiated.

—Alvin Z. Rubinstein,
University of Pennsylvania

FINLAND AND THE RUSSIAN REVOLUTION, 1917-1922. By C. Jay Smith, Jr. (Athens: University of Georgia Press, 1958. 251 pages, bibliography and index, \$4.50.)

Finland has long held the admiration and respect of the Western democracies. But lying as it does in the shadow of Soviet strength, it has had to rely primarily upon its own resources in the struggle to preserve its independence. The story of Finland's early fight for national independence is related with scholarly care and sophistication by Professor Smith. The focus is on Finland's struggle during the 1917-1922 period. The relationship between the Finnish and Bolshevik revolutions, and the men who made them, is developed in great detail.

In 1914, Finland was part of the Russian Empire. Rather than try to gain the co-operation of the Finns against the Central Powers, the Russian Government "used the outbreak of war as an excuse for intensifying Russification, a policy which was justified in the eyes of the Russians by the hostile political climate in Finland and the latter's nearness to the Russian capital." This Czarist myopia, combined with the impact of war and a serious inflation which wiped out the "modest gains achieved by workers over the preceding decade," moved the Finns to seek independence. By mid-1917, encouraged by the overthrow of the Czar, the nationalist movement gained momentum. Under pressure from the Germans, the Bolsheviks recognized Finland's independence on the last day of 1917. The attempts at a restoration, the role of the Great Powers, and the political drama of Finland's domestic strife are all recounted and

analyzed. The story is too complex to be developed here. But for the student interested in a greater understanding of this crucial phase of the Bolshevik revolution, Professor Smith's volume will prove an able supplement to other works dealing with this period. "For the Allies, the rescue of Finland . . . and of the Baltic states and of Poland . . . was a piece of undeserved good luck, the significance of which was not perceived until it was too late."

A. R.

A NEW BIRTH OF FREEDOM? World Communism since Stalin. By K. Ziliacus. (New York: Monthly Review Press, 1958. 286 pages, \$5.00.)

The recent increase in the number of Westerners traveling in the Soviet Union has meant an upsurge in the number of personal travelogues published. Generally speaking, they add little to our knowledge of the Soviet system. These "one month wonders" (the maximum period which the Soviet Government ordinarily allows tourists to remain in the country) are usually one-dimensional affairs and tend toward repetition. This book is no exception. The author, a British Socialist, relates his experiences in an interesting, journalistic fashion. However, his analysis seems colored by his political orientation, with the result that the conclusions in many cases seem unwarrantedly optimistic. Many of his interpretations are sound, others quite questionable. The reader, if he has the time, may judge for himself.

A. R.

A SHORT HISTORY OF CAMBODIA. By Martin F. Herz. (New York: Frederick A. Praeger, 1958. 141 pages, \$3.00.)

The kingdom of Cambodia, which only recently regained its independence, occupies a pivotal position in Southeast Asia. Although a French protectorate for almost a century, little is known of its fascinating past. This small volume by an American Foreign Service Officer who spent two years in Cambodia constitutes a valuable beginning. Tracing the early beginnings of Cambodia, Mr. Herz devotes several brief, but excellent, chapters to the flowering and decay of the once mag-

nificent Empire of the Khmers. The coming of the French is treated tastefully, with a balanced presentation of their accomplishments and liabilities. Of particular interest is the account of Cambodia's quest for independence and the key personalities who were involved in this struggle. Only then do the reasons for Cambodia's present precarious domestic situation become clear.

The author stresses two political facts which are essential for any understanding of Cambodia's foreign policy: first, the government is controlled by Prince Sihanouk who, in turn, cannot veer too closely toward alliance with any Great Power for fear of strengthening opposition elements within Cambodia itself; second, there is a legacy of suspicion and hostility between Cambodia and its neighbors, Thailand and Vietnam, which precludes any effective anti-Communist cooperation at this time.

As Mr. Herz clearly and cogently indicates, many of the significant elements which traditionally affected Cambodian history remain important determinants of present day Cambodian behavior: "hatred of the Annamites, fear of Thailand, the heritage of internal conflict over the independence issue, neutrality, the peculiar Cambodian conception of collective security, and nationalism."

A. R.

ASPECTS OF ISLAM IN POST-COLONIAL INDONESIA. By C. A. O. Van Nieuwenhuijze. (The Hague and Bandung: W. Van Hoeve Ltd., 1958. Distributed in the United States by the Institute of Pacific Relations. 248 pages and index, \$5.00.)

Westerners are becoming generally more concerned with Indonesian foreign policy, as well as with the general pattern of Indonesian politics and economics. However, much research remains to be done in these areas. For some time to come we may expect to benefit from the experience of Dutch scholars with the complexities of Indonesian society. The present volume, consisting of five essays, is the product of such a scholar. It deals with the role of Islam in Indonesian political thought

and practice. Each essay treats a particular phase of the problem. Two should prove of special interest to students of international affairs: first, an analysis of Japanese Islam policy in Java during the second World War; and second, a discussion of the Dar-ul-Islam movement in western Java till 1949. In view of the active role of this orthodox Islamic group in Indonesian political life, the latter essay is particularly pertinent for an understanding of Indonesian domestic strains. The appeal of the other essays will be principally to the specialist. They all serve, however, to enhance our knowledge of a specialized, though highly important, area of contemporary activity.

A. R.

MALAYA. Edited by Norton Ginsburg and Chester F. Roberts, Jr. (Seattle: University of Washington Press, 1958. 533 pages, bibliography and index, \$6.00.)

In general, Western scholarship has not kept pace with the need to know about the societal structure of the increasingly important nations of Southeast Asia. This encyclopedic study of Malaya helps fill the gap with an enormous contribution of factual and statistical data. A product of interdisciplinary research, the book is weighted with the imprint of scholarship. This is both its strength and its weakness. As a systematic accumulation of factual material, the study is well organized, is clearly presented, and should prove invaluable as a reference work. However, there is very little analytical effort in evidence. The editors undoubtedly intended to bring together in a single volume most of the pertinent information needed for further study of this vital country. To this extent they have succeeded admirably.

A. R.

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SOUTH AFRICAN WINTER. By JAMES MORRIS. (New York: Pantheon Books, Inc., 1958. Illustrated. 196 pages and index, \$3.95.)

This is more than just another book on South Africa; it is a worthwhile contribution to the study of race and prejudice and to the realization that there are no ready-made, pat solutions to a problem

that circumscribes our globe. The author has talked to many South Africans, white and black, Dutch and British, farmer and businessman, rich and poor, the intelligent as well as the unintelligent. His observations and anecdotes sum up in one volume the subtleties and complexities of racial prejudice.

The answer which the South Afrikaner has formalized and institutionalized to keep the white man both pure and supreme—apartheid—is an inadequate solution at the root of South Africa's misery. In addition, not only does the Dutch Afrikaner want white supremacy, but he desires to rule the English South African also.

EGYPT IN TRANSITION. By Jean and Simonne Lacouture. Translated by Francis Scarfe. (New York: Criterion Books, Inc., 1958. Illustrated. 532 pages and index, \$7.50.)

This book is a thorough and well-written analysis of Egypt's history with major emphasis on developments during the last decade. Egypt's struggle to gain her independence and to effect economic, agrarian and social reforms was indeed a monumental task in this "lethargic society" with its "servile and swollen population." The revolutionaries, in 1952, faced an arduous task: "They had to extend the cultivable acreage, redistribute agricultural wealth, reconvert agriculture, open new markets and industrialize the country. But they also had to teach, tend and modernize the Egyptian himself, and adapt law and custom to the needs of the modern world." And this program today, according to the authors, is "still in its first stages." All its other problems seem insignificant compared to the "greatest step of all" which Egypt's agricultural economy will have to take before real progress may be made—"to feed and support more than four men to an acre." This is a problem on which the solutions to her other troubles hinge, and which Egypt cannot solve without international help.

The authors have presented a wealth of material concerning Egypt's recent history and political development. Their observations are always well-founded.

THE MEMOIRS OF FIELD-MARSHAL MONTGOMERY. By The Viscount Montgomery of Alamein, K. G. (New York and Cleveland: The World Publishing Company, 1958. Illustrated. 508 pages and index, \$6.00.)

This book provides a personal account of the Allied military strategy employed against the Axis powers during World War II. Although the author fills in some details of his private life, his own fears and ambitions, these are primarily the memoirs of a soldier and military leader. He describes the major battles, both within the Allied command and against the enemy camp, of the Second World War, thus adding a monumental contribution to its history, and to the politics behind the postwar settlements. Monty's determination and perseverance in fighting his battles as best he could, and in leading his men wisely, are reflected throughout his narrative. These are not the writings of the thinker, philosopher or statesman, but the record of a military campaigner who played an instrumental and exciting role during World War II.

THE MARCH OF ARCHAEOLOGY. By C. W. Ceram. Translated by Richard and Clara Winston. (New York: Alfred A. Knopf, 1958. 326 pages, chronological table and index, \$15.00.)

This handsome "picture book," as the author states, is an illustrated (326 photographs) history of archaeology; however, it is not in strict chronological form. Sometimes the author traces the works of the various archaeologists of renown; sometimes, the history of the archaeological "finds." The justification for this text has the following basis: "The pattern of the book deliberately follows the structure of *Gods, Graves and Scholars* because I have sought to trace the historical and cultural continuity that extends from Sumeria through Babylonia, Assyria, Crete, Greece, and Rome down to our own times. This, to me, is a more natural presentation of the facts than any attempt to draw in the over-all archaeological scene. The excursion into Middle America is justified only

as an express and conscious digression. For the reader who wishes to apprehend at least the outlines of the general scene, the chronological tables [at the back] offer a chart highlighting the major events in the history of archaeology. . . ."

Although the organization of the material appears slippery, the author's attempt to provide a book that is more literary and artistic than historical is generally successful. The book is liberally sprinkled with miscellaneous anecdotes and there is much little known information. Mr. Ceram further enriches the book by interpreting the finds and excavations of archaeological research in the light of the history and culture they represent.

REFLECTIONS ON THE PSALMS. By C. S. Lewis. (New York: Harcourt, Brace and Company, 1958. 151 pages and appendices, \$3.50.)

Reflections of this master make a charming and urbane collection. The author examines the psalms as the poets meant them to be read and as they are understood by Christians today, i.e., their second meanings and allegories. The book is a literary masterpiece for the author brings to it his accustomed skill. In prose gifted for its simplicity, the author states: "This is not a work of scholarship. I am no Hebraist, no higher critic, no ancient historian, no archaeologist. I write for the unlearned about things in which I am unlearned myself." With this small introduction, nothing will suffice but to read this slender volume for yourself.

THE GOLD OF TROY. By Robert Payne. (New York: Funk & Wagnalls, 1959. 273 pages and bibliography, with photographs, \$3.95.)

Heinrich Schliemann's life makes colorful reading; his archaeological excavations, especially at Troy, are dramatic and exciting. However, the author has popularized his subject to the point of dullness. What should be adventurous reading becomes a long list of Schliemann's accomplishments, which are indeed impressive, interspersed with comments and digressions on the history and literature of ancient Greece.

Current Documents

On January 9, 1959, President Dwight D. Eisenhower delivered to the Congress of the United States the annual State of the Union Message. Pertinent passages from the text are reprinted below:

THE STATE OF THE UNION MESSAGE, 1959

Thank you very much for the warmth of your welcome.

Mr. President, Mr. Speaker, to you both a happy birthday.

Members of the Eighty-sixth Congress and friends:

First I should like to assure the delegation from our newest state, Alaska, of my satisfaction that it now begins its participation with all of you in the work of Congress for the benefit of the United States. And may I voice the hope that before my term of office is ended I may have the opportunity and the great satisfaction of seeing the fiftieth star in our national flag.

Now, members of Congress, this is the moment when Congress and the Executive annually begin their cooperative work to build a better America.

One basic purpose unites us: to promote strength and security, side by side with liberty and opportunity.

As we meet today, in the 170th year of the Republic, our nation must continue to provide—as indeed all other free governments have had to do throughout time—a satisfactory answer to a question as old as history. It is: Can government based upon liberty and the God-given rights of man, permanently endure when ceaselessly challenged by a dictatorship, hostile to our mode of life, and controlling an economic and military strength of great and growing power?

For us the answer has always been found, and is still found, in the devotion, the vision, the courage and the fortitude of our people.

Moreover, we face this challenge not as a single powerful nation, but as one that has in recent decades reached a position of recognized leadership in the free world.

We have arrived at this position of leadership in an era of remarkable productivity and growth. It is also a time when man's

power of mass destruction has reached fearful proportions.

Possession of such capabilities helps create world suspicion and tension. We, on our part, know that we seek only a just peace for all, with aggressive designs against no one. Yet we realize that there is uneasiness in the world because of a belief on the part of peoples that through arrogance, miscalculation; the fear of attack, catastrophic war could be launched.

Keeping the peace in today's world more than ever calls for the utmost in the nation's resolution, wisdom, steadiness and unremitting effort. We cannot build peace through desire alone. Moreover, we have learned the bitter lesson that international agreements historically considered by us as sacred are regarded in Communist doctrine and in practice to be mere scraps of paper. The most recent proof of their disdain of international obligations, solemnly undertaken, is their announced intention to abandon their responsibilities respecting Berlin.

As a consequence of these actions, we can have no confidence in any treaty to which Communists are a party except where such a treaty provides within itself for self-enforcing mechanisms. Indeed, the demonstrated disregard of the Communists of their own pledges is one of the greatest obstacles to world success in substituting the rule of law for rule by force.

Yet step by step we must strengthen the institutions of peace—a peace that rests upon justice, a peace that depends upon a deep knowledge and clear understanding by all peoples, including our own, of the causes and consequences of possible failure in this great purpose.

To achieve this peace we seek to prevent war at any place and in any dimension. If, despite our best efforts, a local dispute should

flare into armed hostilities, the next problem would be to keep the conflict from spreading, and so compromising freedom. In support of these objectives we maintain forces of great power and flexibility.

Our formidable air striking forces are a powerful deterrent to general war. Large and growing portions of these units can depart from their bases in a matter of minutes.

Similar forces are included in our naval fleets.

Ground and other tactical formations can move with swiftness and precision, when requested by friendly and responsible governments, to help curb threatened aggression. The stabilizing influence of this capacity has been dramatically demonstrated more than once over the past year.

Our military and related scientific progress has been highly gratifying.

Great strides have been made in the development of ballistic missiles. Intermediate-range missiles are now deployed in operational units. The Atlas intercontinental ballistic missile program has been marked by rapid development as evidenced by recent successful tests. Missile training units have been established and launching sites are far along in construction.

New aircraft that fly at twice the speed of sound are entering our squadrons.

We have successfully placed five satellites in orbit, which have gathered information of scientific importance never before available. Our latest satellite illustrates our steady advance in rocketry and foreshadows new developments in world-wide communications.

Warning systems constantly improve.

Our atomic submarines have shattered endurance records and made historic voyages under the North Polar Sea.

A major segment of our national scientific and engineering communities is working intensively to achieve new and greater developments.

* * *

Now all this I give only as a matter of history; as a record of our progress in space and ballistic missile fields in no more than four years of intensive effort. At the same time we clearly recognize that some of the recent Soviet accomplishments in this particular technology are indeed brilliant.

Under the law enacted last year the Department of Defense is being reorganized to give the Secretary of Defense full authority over the military establishment. Greater efficiency, more cohesive efforts and speedier reaction to emergencies are among the many advantages we are already noting from these changes.

Now these few highlights point up our steady military gains. We are rightfully gratified by the achievements they represent. But we must remember that these imposing armaments are purchased at great cost.

National security programs account for nearly 60 per cent of the entire federal budget for this coming fiscal year.

Modern weapons are exceedingly expensive.

The over-all cost of introducing Atlas into our armed forces will average \$35 million per missile on the firing line.

This year we are investing an aggregate of close to \$7 billion in missile programs alone.

Other billions go for research, development, test and evaluation of new weapons systems.

Our latest atomic submarines will cost \$50 million each, while some special types will cost three times as much.

We are now ordering fighter craft which are priced at fifty times as much as the fighters of World War II.

We are buying certain bombers that cost their weight in gold exactly.

These sums are tremendous, even when compared with the marvelous resiliency and the capacity of our economy.

Such expenditures demand both balance and perspective in our planning for defense. At every turn, we must weigh, judge and select. Needless duplication of weapons and forces must be avoided.

We must guard against feverish building of vast armaments to meet glibly predicted moments of so-called "maximum peril." The threat we face is not sporadic or dated: it is continuous. Hence we must not be swayed in our calculations either by groundless fear or by complacency.

We must avoid extremes, for vacillation between extremes is inefficient, costly, and destructive of morale. In these days of unceasing technological advance we must plan

our defense expenditures systematically and with care, fully recognizing that obsolescence compels the never-ending replacement of older weapons with new ones.

The defense budget for the coming year has been planned on the basis of these principles and considerations. Over these many months I have personally participated in its development.

The aim is a sensible posture of defense. The secondary aim is increased efficiency and avoidance of waste. Both are achieved by this budgetary plan.

Working by these guidelines I believe with all my heart that America can be as sure of the strength and efficiency of her armed forces as she is, and has always been, of their loyalty. I am equally sure that the nation will thus avoid useless expenditures which, in the name of security, might tend to undermine the economy and, therefore, the nation's safety.

Our own vast strength is only a part of that required for dependable security. Because of this we have joined with nearly fifty nations in collective security arrangements. In these common undertakings each nation is expected to contribute what it can in sharing the heavy load. Each supplies part of a strategic deployment to protect the forward boundaries of freedom.

Constantly we seek new ways to make more effective our contribution to this system of collective security. Recently I have asked a committee of eminent Americans of both parties to reappraise our military assistance programs and the relative emphasis which should be placed on military and economic aid.

I am hopeful that preliminary recommendations of this committee will be available in time in shaping the Mutual Security Program for the coming fiscal year.

Any survey of the free world's defense structure cannot fail to impart a feeling of regret that so much of our effort and resources must be devoted to armaments. At Geneva and elsewhere we continue to seek technical and other agreements that may help to open up, with some promise, the issues of international disarmament. America will never give up the hope that eventually all nations can, with mutual confidence,

drastically reduce these non-productive expenditures.

The material foundation of our national safety is a strong and expanding economy. This we have—and this we must maintain. Only with such an economy can we be secure and simultaneously provide for the well-being of our people.

A year ago the nation was experiencing a decline in employment and in output. Today that recession is fading into history, and this without gigantic, hastily improvised public works projects or untimely tax reductions. A healthy and vigorous recovery has been under way since last May. New homes are being built at the highest rate in several years. Retail sales are at peak levels. Personal income is at an all-time high.

The marked forward thrust of our economy reaffirms our confidence in competitive enterprise. But—clearly—wisdom and prudence in both the public and private sectors of the economy are always necessary.

The outlook is this: 1960 commitments for our armed forces, the Atomic Energy Commission and Mutual Security exceed \$47 billion. In the foreseeable future they are not likely to be significantly lower. With an annual population increase of 3 million, other governmental costs are bound to mount.

After we have provided wisely for our military strength, we must judge how to allocate our remaining government resources most effectively to promote our well-being and our economic growth.

Federal programs that will benefit all citizens are moving forward.

Next year we will be spending increased amounts on health programs; on federal assistance to science and education; on the development of the nation's water resources; on the renewal of urban areas; and on our vast system of federal-aid highways.

Each of these additional outlays is being made necessary by the surging growth of America.

Let me illustrate. Responsive to this growth, federal grants and long-term loans to assist fourteen major types of capital improvements in our cities will total over \$2 billion in 1960—and this figure is double the expenditure of two years ago. The major

responsibility for development in these fields rests in localities, even though the federal government will continue to do its proper part in meeting the genuine needs of a burgeoning population.

But the progress of our economy can more than match the growth of our needs. We need only to act wisely and confidently.

Here, I hope you will permit me to digress long enough to express something that has been much on my mind.

As I said at the beginning, the basic question facing us today is more than survival—that is, the military defense of national life and territory. It is the preservation of a way of life.

We must meet the world challenge and at the same time permit no stagnation in America. Stagnation we cannot afford.

Unless we progress, we regress.

We can successfully sustain security and remain true to our heritage of freedom if we clearly visualize the tasks ahead and set out to perform them with resolution and vigor. We must first define these tasks and then understand what we must do to accomplish them.

If progress is to be steady we must have long-term guides extending far ahead, certainly five, possibly even ten years. They must reflect the knowledge that before the end of five years we will have a population of more than 190 million people. They must be goals that stand high, and so inspire every citizen to climb always toward mounting levels of moral, intellectual and material strength. Every advance toward them cannot fail to stir pride in the individual and national achievements.

Now to define these goals, I intend to mobilize help from every available source.

We need more than politically ordained national objectives if we are to challenge the best efforts of free men and women. A group of selfless, able and devoted individuals, outside of government, could effectively participate in making the necessary appraisal of the potentials of our future. The result would be the establishment of national goals that would not only spur us on to our finest efforts but would meet the stern test of practicality.

The committee I've planned will comprise

educators and representatives of labor, management, finance, the professions, agriculture and every other kind of useful activity.

Such a study would update and supplement, in the light of continuous changes in our society and its economy, the monumental work of the Committee on Recent Social Trends which was appointed in 1931 by President Hoover. Its report has stood the test of time and has had a beneficial influence on national development.

The new committee would be concerned, among other things, with the acceleration of our economy's growth and the living standards of our people, their health and education, their better assurance of life and liberty and their greater opportunities. It would also be concerned with methods to meet such goals and what levels of government—local, state or federal—might or should be particularly concerned.

As one example, consider our schools, operated under the authority of local communities and states. In their capacity and in their quality they conform to no recognizable standards. In some places facilities are ample, in others meager. Pay of teachers ranges between wide limits, from the adequate to the shameful. As would be expected, quality of teaching varies just as widely. But to our teachers we commit the most valuable possession of the nation and of the family—our children.

We must have teachers of competence. To obtain and hold them we need standards. We need a national goal. And once established I am certain that public opinion would compel steady progress toward its accomplishment.

Such studies would be helpful, I believe, to government at all levels and to all individuals. The goals so established could help us see our current problems, needs in perspective. And they would spur progress.

We do not forget, of course, that our nation's progress and fiscal integrity are interdependent and inseparable. We can afford everything we clearly need, but we cannot afford one cent of waste. We must examine every item of governmental expense critically. To do otherwise would betray our nation's future.

Thrift is one of the characteristics that

has made this nation great. Why should we ignore it now?

We must avoid any contribution to inflationary processes, which could disrupt sound growth in our economy.

Prices have displayed a welcome stability in recent months and, if we are wise and resolute, we will not tolerate inflation in the years to come. But history makes clear the risks inherent in any failure to deal firmly with the basic causes of inflation. Two of the most important of these are the wage-price spiral and continued deficit financing.

Inflation would reduce job opportunities, price us out of world markets, shrink the value of savings and penalize the thrift so essential to finance a growing economy.

Inflation is not a Robin Hood, taking from the rich to give to the poor. Rather, it deals most cruelly with those who can least protect themselves. It strikes hardest those millions of our citizens whose incomes do not quickly rise with the cost of living. And when prices soar, the pensioner and the widow see their security undermined, the man of thrift sees his savings melt away; the white-collar worker, the minister, and the teacher see their standards of living dragged down.

Inflation can be prevented. But this demands statesmanship on the part of business and labor leaders and of government at all levels.

We must encourage the self-discipline, the restraint necessary to curb the wage-price spiral and, except only in critical emergency, we must meet current costs from current revenue.

To minimize the danger of future soaring prices and to keep our economy sound and expanding, I shall present to the Congress certain proposals.

First, I shall submit a balanced budget for the next year, a year that is expected to be the most prosperous of our history to date. It is a realistic budget with wholly attainable objectives.

If we cannot live within our means during such a time of rising prosperity, the hope of fiscal integrity will fail. If we persist in living beyond our means we make it difficult indeed for every family in our land to balance his own household budget. But to live within our means would be a tangible dem-

onstration to ourselves and to others of the self-discipline needed to assure a stable dollar.

Now the Constitution entrusts the Executive with many functions, but the Congress—the Congress alone—has the power of the purse. Ultimately upon the Congress rests responsibility for determining the scope and amount of federal spending.

But by working together, the Congress and the Executive can keep a balance between income and outgo. If this is done there is real hope that we can look forward to a time in the foreseeable future when needed tax reforms can be accomplished.

In this hope, I am requesting the Secretary of the Treasury to prepare appropriate proposals for revising, at the proper time, our tax structure, to remove inequities and to enhance incentives for all Americans to work, to save, and to invest. Such recommendations will be made as quickly as our fiscal condition permits. And these prospects will be brightened, I assure you, if 1960 expenditures do not exceed the levels recommended.

Second, I shall recommend to the Congress that the Chief Executive be given the responsibility either to approve or to veto specific items in appropriations and authorization bills.

* * *

Third, to reduce federal operations in an area where private enterprise can do the job, I shall recommend the legislation for greater flexibility in extending federal credit, and in improving the procedures under which private credits are insured or guaranteed. Present practices have needlessly added large sums to federal expenditures.

Fourth, action is required to make more effective use of the large federal expenditures for agriculture and to achieve greater fiscal control in this area.

Outlays of the Department of Agriculture for the current fiscal year for the support of farm prices on a very few farm products, will exceed \$5 billion. This is a sum equal to approximately two-fifths of the net income of all farm operators in the United States.

By the end of this fiscal year it is estimated that there will be in government hands surplus farm products worth about \$9 billion. And by July 1, 1959, government expenditures for storage, interest and handling of

its agricultural inventory will reach a rate of \$1 billion a year.

This level of expenditures for farm products could be made willingly for a temporary period if it were leading to a sound solution of the problem. Unfortunately this is not true. We need new legislation.

In the past I have sent messages to the Congress requesting greater freedom for our farmers to manage their own farms and greater freedom for markets to reflect the wishes of producers and consumers. Legislative changes that followed were appropriate in direction but did not go far enough.

The situation calls for prompt and forthright action. Recommendations for action will be contained in a message to be transmitted to the Congress shortly.

Now these fiscal and related actions will help create an environment of price stability for economic growth. However, certain additional measures are needed.

I shall ask Congress to amend the Employment Act of 1946 to make it clear that government intends to use all appropriate means to protect the buying power of the dollar.

I am establishing a continuing Cabinet group on price stability for economic growth to study governmental and private policies affecting costs, prices and economic growth. It will strive also to build a better public understanding of the conditions necessary for maintaining growth and price stability.

* * *

I take up next certain aspects of our international situation and our progress in strengthening it.

America's security can be assured only within a world community of strong, stable, independent nations, in which the concepts of freedom, justice and human freedom can flourish.

There can be no such thing as Fortress America. If ever we were reduced to the isolation implied by that term we would occupy a prison, not a fortress. The question, whether we can afford to help other nations that want to defend their freedom, but cannot fully do so from their own means, has only one answer: We can and we must, as we have been doing so since 1947.

Our foreign policy has long been dedicated to building a permanent and just peace.

During the past six years our free world security arrangements have been bolstered and the bonds of freedom more closely knit. Our friends in Western Europe are experiencing new internal vitality, and are increasingly more able to resist external threats.

Over the years the world has come to understand clearly that it is our firm policy not to countenance aggression. In Lebanon, Taiwan, and Berlin—our stand has been clear, right, and expressive of the determined will of a united people.

Acting with other free nations we have the solemn obligation to defend the people of free Berlin against any effort to destroy their freedom. In the meantime we shall constantly seek meaningful agreements to settle this and other problems, knowing full well that not only the integrity of a single city, but the hope of all free peoples is at stake.

We need, likewise, to continue helping to build the economic base so essential to the free world's stability and strength.

The International Monetary Fund and the World Bank have both fully proven their worth as instruments of international financial cooperation. Their executive directors have recommended an increase in each member's subscription. I am requesting the Congress for immediate approval of our share of these increases.

We are now negotiating with representatives of the twenty Latin-American republics for the creation of an inter-American financial institution. Its purpose would be to join all the American republics in a common institution which would promote and finance development in Latin America. One great result of this would be to make more effective use of capital from the World Bank, the Export-Import Bank and private sources.

Private enterprise continues to make major contributions to economic development in all parts of the world. But we have not yet marshaled the full potential of American business for this task, particularly in countries which have recently attained their independence. I shall present to this Congress a program designed to encourage greater

participation by private enterprise in economic development abroad.

Further, all of us know that to advance the cause of freedom we must do much more than help build sound economies. The spiritual, intellectual and physical strength of people throughout the world will in the last analysis determine their willingness and their ability to resist communism.

To give a single illustration of our many efforts in these fields: We have been a participant in the effort that has been made over the last few years against one of the great scourges of mankind—disease. Through the Mutual Security Program public health officials are being trained by American universities to serve in less developed countries. We are engaged in intensive malaria-eradication projects in many parts of the world. In this work America's major successes in our own country prove the feasibility of success everywhere.

By these and other means we shall continue and expand our campaign against the afflictions that now bring needless suffering and death to so many of the world's people. We wish to be a part of a great shared effort toward the triumph of health.

I think most of us would agree America is best described by one word—freedom.

If we hope to strengthen freedom in the world we must be ever mindful of how our own conduct reacts elsewhere. No other nation has ever been so floodlighted by world opinion as the United States is today. Everything we do is carefully scrutinized by other peoples throughout the world. The bad is seen along with the good.

Because we are human we err. But as free men we are also responsible for correcting the errors and imperfections of our ways.

Last January I made comprehensive recommendations to the Congress for legislation in the labor-management field. To my disappointment, Congress failed to act. . . .

* * *

I shall recommend prompt enactment of legislation designed:

To safeguard workers' funds in union treasuries against misuse of any kind whatsoever.

To protect the rights and freedoms of in-

dividual union members, including the basic right to free and secret elections of officers.

To advance true and responsible collective bargaining.

To protect the public and innocent third parties from unfair and coercive practices such as boycotting and blackmail picketing.

The workers and the public must have these vital protections.

In other areas of human rights—freedom from discrimination in voting, in public education, in access to jobs, and in other respects—the world is likewise watching our conduct.

The image of America abroad is not improved when school children, through closing of some of our schools and through no fault of their own, are deprived of their opportunity for an education.

The government of a free people has no purpose more noble than to work for the maximum realization of equality of opportunity under the law. That is the concept under which our founding papers were written. This is not the sole responsibility of any one branch of our government. The judicial arm, which has the ultimate authority for interpreting the Constitution, has held that certain state laws and practices discriminate upon racial grounds and are unconstitutional. Wherever the supremacy of the Constitution is challenged I shall continue to take every proper action necessary to uphold it.

We are now making noticeable progress in the field of civil rights—we are moving forward toward achievement of equality of opportunity for all people everywhere in the United States. In the interest of the nation and of each of its citizens, that progress must continue.

Legislative proposals of the Administration in this field will be submitted to the Congress early in the session. All of us, I believe, should help to make clear that the government is united in the common purpose of giving support to the law and the decisions of the courts.

Finally by moving steadily toward the goal of greater freedom under law, for our own people, we shall be the better prepared to work for the cause of freedom under law throughout the world.

The Month in Review

INTERNATIONAL

Baghdad Pact

Jan. 22—As the sixth session of the Economic Committee of the Baghdad Pact opens, U.S. delegate Donald D. Kennedy asks pact nations to share more fully in meeting the costs of economic development.

Jan. 23—The Economic Committee sets up a Multilateral Technical Cooperation Fund with a capital of \$150,000.

Berlin Crisis (See also *East Germany*.)

Jan. 10—The Big Three Ambassadors in Moscow receive Soviet notes refusing to consider Berlin in relation to the broader problem of German unification and European security as proposed by the Allies on December 31, 1958. In addition a Soviet draft peace treaty proposes a demilitarized Germany. Soviet Premier Nikita S. Khrushchev also recommends that East Germany control all access points to a free Berlin, and that 28 nations meet within 2 months in Prague or Warsaw to establish a peace treaty with a neutralized but divided Germany.

U.S. officials unofficially find the Soviet treaty proposals, based on a divided Germany, unacceptable.

Jan. 13—U.S. Secretary of State John F. Dulles asserts that free elections are not "the only method by which [German] reunification could be accomplished."

Jan. 14—The West German government asks for clarification of Dulles' hint at a new formula for German reunification.

Jan. 24—A First Soviet Deputy Premier, Anastas Mikoyan, back in Moscow, declares that the May 27 deadline for turning control of East Berlin over to East Germany (in the event that the Big Four Powers cannot agree on a free Berlin) is not inflexible. He affirms that negotiation in "good will" on ending Berlin's occupation status is more important than the 6-month deadline for holding talks. The

Soviet proposal to end 4-Power control of Berlin was made November 27, 1958.

The U.S. State Department heartily endorses Mikoyan's statement on a flexible deadline.

Jan. 25—The official Soviet news agency, *Tass*, states that Western troop withdrawal from West Berlin is considered essential to a settlement.

Disarmament

NUCLEAR WEAPONS TEST CONFERENCE

Jan. 5—Talks on banning nuclear weapons testing reopen in Geneva, with the U.S., Britain and the U.S.S.R. participating.

In Washington, the White House says new scientific data indicates "that it is more difficult to identify underground explosions than had previously been believed."

Jan. 14—Soviet delegate Semyon K. Tsarapkin expresses suspicion of U.S. good faith in negotiations on an atom test ban.

Jan. 19—U.S. delegate James J. Wadsworth and British delegate David Ormsby-Gore reveal that their governments no longer insist that the duration of a test ban must be linked to other satisfactory progress toward disarmament.

Jan. 26—The U.S. and Britain suggest a plan for staffing international control posts monitoring a test ban; Russians would man half the posts in Western territory; Western observers would man half the posts in Russian territory. The other technical jobs would be taken by international civil employees. No natives of a control post station would hold a technical position on that post.

Jan. 27—The U.S.S.R. refuses to consider the Western plan for staffing control posts and insists on self-policing, with each post manned by technicians of the host country.

Jan. 28—British and U.S. delegates assert that permanent mobile inspection teams will be needed to monitor a test ban.

Jan. 29—Britain suggests that experts of the Three Powers meet to clarify technical difficulties in manning control posts.

CONFERENCE ON SURPRISE ATTACK

Jan. 16—The U.S. refuses to accede to the Russian request for reopening talks on reducing the possibility of surprise attack; the U.S. wants some agreement on an agenda first.

Latin America

Jan. 10—Ratification of a common market agreement by El Salvador activates a common market for Central America, including Guatemala, Nicaragua, Costa Rica, El Salvador and Honduras.

United Nations

Jan. 26—An 18-member governing council begins to operate a new United Nations Special Fund for underdeveloped countries. Managing Director Paul Hoffman says the new program will be utilized to attract capital investments.

West Europe

Jan. 1—The European Common Market, including France, West Germany, Italy, Belgium, Luxembourg and the Netherlands, goes into effect. During a transitional 12 to 15 year period, tariffs and other trade barriers will be eliminated.

Jan. 21—Fifteen European judges preside over the newly-created Court of Human Rights; eight countries will recognize its decisions. They are Austria, Belgium, Denmark, West Germany, Iceland, Ireland, Luxembourg and the Netherlands.

Jan. 25—After a two-day conference, 18 cabinet ministers from Denmark, Finland, Norway and Sweden announce that "considerable progress" has been made toward a Nordic common market and customs union.

ARGENTINA

Jan. 9—Industrialists ask relief from the Argentine economic stabilization program, under which import taxes on some raw materials raise costs 100 per cent.

Jan. 10—The Argentine Senate approves a \$100 million credit from the U.S.S.R. for the purchase of industrial equipment.

Jan. 12—The Argentine peso is put on the free market. The new completely con-

vertible peso is now valued at about 70 pesos to the dollar.

Jan. 14—The Congress adjourns its special session, leaving the country in a state of siege and without a new budget.

Jan. 17—Workers on a sit-down strike at the government's meat-packing plant in Mataderos clash with the Army, which dispels the strikers. Because the plant has been operating at a deficit, President Arturo Frondizi refused to veto a congressional law authorizing the shut-down of the plant in line with the new economic stabilization program.

The Peronist union bloc calls a national strike.

Jan. 19—Argentine police round up Communist and Peronist leaders of the general strike which has tied up transportation, communications, and industrial enterprises. Some 75 per cent of the organized labor force is involved in the national walk-out. The strike is considered a last-ditch stand against the economic stabilization program which has raised prices, threatened the jobs of state employees, and impaired the power of the unions.

Jan. 20—President Arturo Frondizi arrives in the U.S. and is greeted by U.S. President Eisenhower.

The Army mobilizes U.S. oil companies in Argentina to break the general strike.

Jan. 22—Strike leaders, fearing military action, order workers back to their jobs.

BELGIUM CONGO

Jan. 5—A state of alert is declared in Leopoldville following clashes between African rioters and soldiers. Seventy-one are killed and 205 are injured during riots for Congo independence.

Jan. 12—The Abako party is outlawed and two African mayors are arrested.

Jan. 13—The Belgian government announces a program for the evolution of independent rule for the Congo. The plan includes extension of voting rights and better economic conditions.

Jan. 14—The leader of the Congolese national movement, Patrice Lumumba, declares that the Belgian plan for eventual autonomy is acceptable.

BRITISH COMMONWEALTH, THE**Canada**

Jan. 6—Canadian and U.S. cabinet members reach no conclusions in two days of discussion on economic problems in Ottawa.

Jan. 8—The Government reveals that art treasures taken to Canada for safekeeping in 1940 during World War II will be returned to Poland.

Jan. 15—The second session of the 24th Parliament opens in Ottawa.

Ceylon

Jan. 21—President Tito of Yugoslavia begins a 5-day visit.

Great Britain

Jan. 13—The Board of Trade reveals that Britain's trade deficit in 1958—£426 million—was the lowest deficit since 1950.

Jan. 16—Prime Minister Harold Macmillan names John Dennis Profumo to replace Commander Allan Noble as Minister of State for Foreign Affairs.

Jan. 20—Prince Philip leaves London for a three and a half month trip around the world.

Jan. 21—The British Ambassador to the U.S., Sir Harold Caccia, protests to U.S. Secretary of State John Foster Dulles because the U.S. Army Corps of Engineers has refused a low British bid on construction of two hydraulic turbines.

Jan. 26—Colonial Office chiefs discuss African agitation with the Governors of Kenya, Uganda and Tanganyika and the British Resident in Zanzibar.

India

Jan. 1—The Commonwealth Relations office in London reveals that Britain and India arranged for a £28.5 million loan to India in an agreement signed December 20.

Jan. 3—Prime Minister Jawaharlal Nehru and Ghana's Prime Minister Kwame Nkrumah issue a statement at the end of conferences on problems of mutual interest; they hope for independence for African states "through constructive and peaceful methods."

Jan. 6—West Germany arranges a long-term credit for India of \$40 million.

Jan. 9—The Congress party adopts a resolution calling for gradual pooling of farm land for joint cultivation.

Jan. 14—Nehru welcomes Yugoslavia's President Tito in New Delhi; Tito is on an "unofficial" visit.

Malaya, Federation of

Jan. 24—Paramount Ruler Yang Bipertuan Agong dedicates a central bank with assets of \$33 million.

Pakistan

Jan. 24—President Mohammed Ayub Khan reveals plans for land reform, limiting ownership to 500 acres of irrigated land or 1000 acres of unirrigated land.

Jan. 27—General Ayub says that Pakistan democracy is going to take a "couple of years" to restore.

BRITISH EMPIRE, THE**Malta**

Jan. 5—After talks with Maltese leaders fail, the British Colonial Office reveals plans to revoke Malta's constitution.

Jan. 18—Dom Mintoff, Maltese Labor party leader, asks Malta for a "national day of mourning" and a general strike to protest British suspension of the Constitution.

Nigeria

Jan. 24—Elections are held for the Southern Cameroons House of Assembly, the first elections in which there is universal adult suffrage; the opposition Kamerun National Democratic party supports secession from the Nigerian Federation and is reported to be gaining seats.

CHINA (The People's Republic)

Jan. 11—The Communist Chinese hold their fire on the offshore Nationalist Chinese islands for the fourth day.

Jan. 23—It is decided that the National Peoples Congress will meet in April to elect Mao's successor as Chairman of the People's Republic of China.

COLOMBIA

Jan. 13—President Alberto Lleras Camargo ends the state of siege in most of the country, in effect since December. For the first time in nine years, constitutional rights are restored to most Colombians.

CUBA

Jan. 1—Fidel Castro's rebel troops seize Santiago and march into Havana. President Fulgencio Batista resigns and seeks refuge in the Dominican Republic.

Jan. 2—Dr. Manuel Urrutia is named provisional president by Castro.

Jan. 3—Urrutia is sworn in and names Castro as Commander in Chief of the Armed Forces. Castro promises that constitutional guarantees suspended under Batista will be restored immediately. He also declares that harvesting of Cuba's sugar crop will commence as scheduled this month.

Jan. 4—Castro ends the general strike that he had called.

Jan. 5—Urrutia names Dr. Jose Miro Cardona Premier, in addition to naming other ministers to his Cabinet.

Jan. 6—Urrutia dissolves the Congress and deposes congressmen, mayors, governors and aldermen. The President and the Cabinet declare they will rule by decree for the next 18 months, after which they will hold general elections.

Jan. 7—The U.S. recognizes the Urrutia government.

Jan. 8—Castro arrives in Havana and is welcomed by a tremendous popular demonstration.

Jan. 9—The Revolutionary Directorate, a group of student-led rebels from Las Villas Province, refuses to accept the new government, and demands a share in the new regime.

Jan. 10—U.S. Ambassador to Cuba Earl E. T. Smith resigns.

The Revolutionary Directorate gives up its arms.

Jan. 12—A military court sentences 14 of Batista's followers to death by firing squad for "war crimes."

Jan. 16—Cuban and United States businessmen and industrialists pay the new government some \$3 million in advance taxes, according to a Treasury estimate.

Jan. 22—Court martials of leading "war criminals" (Batista's army officers), on trial for their lives, begin.

Jan. 30—The Cabinet suspends 4 articles of the Constitution to expedite war crimes trials.

DENMARK

Jan. 15—U.S. Deputy Secretary of Defense Donald A. Quarles announces that the U.S. will supply Denmark with intermediate range ballistic missiles.

FINLAND

Jan. 13—Speaker of the Parliament Vieno Johannes Sukselainen (Agrarian party) ends a 40-day government crisis. His new Cabinet is composed of all Agrarians except for one.

Jan. 22—President Urho K. Kekkonen, on a private visit, confers with Soviet Premier Khrushchev in Leningrad on mending the rift in Soviet-Finnish relations.

FRANCE

Jan. 6—At a Cabinet meeting, greater co-operation between labor and management is urged. Premier Charles de Gaulle confirms the resignations of Socialist Ministers Guy Mollet and Eugene Thomas, effective January 8.

Jan. 8—De Gaulle becomes the first president of the Fifth French Republic and the French Overseas Community. He immediately designates Michael Debre as premier. Jacques Soustelle, formerly Information Minister, is given the post of Minister-Delegate (similar to a vice-premiership). Debre's newly announced Cabinet retains 18 ministers who served under de Gaulle.

Jan. 12—Price increases decreed over the weekend by the government are reported: in addition to the earlier income tax and rental increases, consumer goods and services will also cost more.

Jan. 16—The National Assembly, 453-56, approves Debre's Algerian policy that Algeria belongs under French rule.

Jan. 21—By adopting new, if provisional, working rules, the National Assembly votes for stricter discipline that limits its own power.

Jan. 28—The minimum wage is increased by 4.5 per cent.

Jan. 30—De Gaulle again offers Algerian rebels "honorable conditions" for a cease fire.

FRENCH COMMUNITY, THE
Algeria

Jan. 8—In the third day of mountain fighting, a French army communique reports some 265 Algerian rebels killed and 24 captured.

Jan. 13—Clemency and amnesty measures are given to French rebel leaders in a Paris prison. Sentences of death and imprisonment for rebels are commuted or shortened.

Jan. 15—Algerian rebel leaders are again offered a safe conduct guarantee if they will come to France to discuss a political settlement.

Jan. 16—One hundred rebels are released from a camp in Algeria as de Gaulle's amnesty program takes effect.

Jan. 27—Information Minister M'hammed Yazid states that there is "no prospect for peace in Algeria" at the moment. He warns that contracts made with foreign investors and foreign companies will not be honored by the Algerian nationalist government when it comes to power.

GERMANY (EAST) (See also *International, Berlin Crisis.*)

Jan. 6—East German Premier Otto Grotewohl leaves New Delhi after failing to obtain India's recognition of his government.

GERMANY (WEST) (See also *International, Berlin Crisis.*)

Jan. 2—It is reported that in 1958, 204,061 East Germans sought refuge in West Germany.

Jan. 6—In direct opposition to the Allied Control Council's industrial deconcentration policies, the Krupps industries announces that the High Authority of the European Coal and Steel Community has approved Krupps' purchase of Bochumer Verein, a specialized steel producer.

Jan. 12—The West German mark becomes the fourth fully convertible world currency.

Jan. 21—The Saar's government, which is politically part of West Germany, and economically a part of France, falls. Premier Egon Reinert resigns when he fails

to form a coalition government representing all parties. The Saar is to become economically integrated with West Germany this year.

Jan. 23—The government levies a \$5 per ton tariff on coal imports which will primarily affect U.S. coal exports of 9 million tons in 1959 to West Germany. The Ruhr has a 13 million ton coal surplus.

Jan. 30—The *Bundestag* ignores a U.S. protest and approves a 10 per cent tariff on imports of foreign coal.

GREECE

Jan. 10—Italian Premier Amintore Fanfani ends a 3-day visit to Greece where he talked with Greek Premier Konstantin Karamanlis.

GUATEMALA

Jan. 9—Guatemala refuses to release 3 Mexican shrimp boats seized in Guatemalan waters in December. Guatemala insists on a 12-mile offshore limit.

Jan. 17—President Miguel Ydigoras puts the U.S. owned major railroad in Guatemala under military rule because of a 5000-man walkout.

Jan. 23—Mexico's President Adolfo Lopez Mateos breaks off relations with Guatemala because of the shrimp boat controversy.

GUINEA

Jan. 7—France and Guinea sign an agreement that keeps Guinea within the franc zone.

Jan. 15—Guinea is granted formal diplomatic recognition by the French government.

HUNGARY

Jan. 31—The Hungarian government limits U.S. legation activity in Budapest because such activity is allegedly dangerous to Hungary.

INDONESIA

Jan. 3—Indonesia and the U.S.S.R. sign an agreement whereby the Soviet credit of \$100 million granted in 1956 will be used for construction projects.

IRAN

Jan. 7—The U.S. and Iran sign an agreement for a \$7,500,000 Development Loan Fund for development projects in Iran.

IRAQ

Jan. 1—Evidence of great unrest and disorder in Iraq is reported. It is believed that Communists and pro-Egyptian nationalists are battling.

Jan. 11—Concluding a 3-day meeting with East German Premier Otto Grotewohl, Premier Abdel Karim el-Kassem refuses to grant diplomatic recognition to East Germany.

Jan. 15—It is reported that Premier el-Kassem has put restraints on 2 Communist infiltrated groups, the People's Militia and the Iraqi Students Union.

Jan. 24—It is reported that a people's court has tried and convicted Colonel Abdel Salem Arif of treason. Arif was former deputy premier under el-Kassem.

IRELAND

Jan. 19—The national committee of the Fianna Fail gives final endorsement to Prime Minister Eamon de Valera as their candidate for president.

ISRAEL

Jan. 2—U.N. Secretary General Dag Hammarskjold talks with Israeli Premier David Ben-Gurion on ending Syrian-Israeli border clashes.

Jan. 5—The budget is presented to the Knesset (Parliament).

Jan. 8—An announcement from Cairo says that Israeli and U.A.R. jet fighters are battling near the Sinai desert.

Jan. 13—The Egyptian-Israeli Mixed Armistice Commission condemns Israel for the January 8 incident.

Jan. 29—The U.S. State Department interprets the increased exodus of Jews from Rumania to Israel as part of the Soviet attempt to foster unrest in the Middle East. (See also Rumania.)

Jan. 30—Israel charges Syria with "constant" aggression, in a complaint to the U.N. Security Council.

ITALY

Jan. 8—Italian Premier Amintore Fanfani signs in Cairo a trade, technical and cultural agreement with the U.A.R.

Jan. 18—At the close of the Socialist party congress, party secretary Pietro Nenni receives a large vote for his motion for party "autonomy," considered a triumph over the party's pro-Communist wing.

Jan. 19—The Socialist party's Central Committee re-elects Nenni as secretary.

Jan. 26—Fanfani and his Cabinet resign. The coalition government of Christian Democrats and Democratic Socialists falls.

Jan. 31—Fanfani gives up his position as political secretary of the Christian Democratic party.

JAPAN

Jan. 12—Four new Cabinet ministers are named by Premier Nobusuke Kishi in an attempt to reconcile the Liberal-Democratic party conflict.

Jan. 24—Kishi is re-elected President of his ruling Liberal-Democratic party.

JORDAN

Jan. 3—U.N. Secretary General Dag Hammarskjold discusses Middle Eastern problems with King Hussein.

KOREA (SOUTH)

Jan. 15—President Syngman Rhee refuses to discuss with Vice-President John M. Chang, leader of the opposition Democratic party, the national security and local autonomy legislation that is causing political unrest in Korea. The national security laws provide for curtailment of civil rights when subversion seems imminent. The local autonomy law would substitute government appointments of municipal and village functionaries for elections. The legislation was passed after the Opposition was forcibly evicted from the Assembly Chamber.

Jan. 21—Rhee defends the controversial legislation.

Jan. 29—The deadlock continues. Democratic party members, demonstrating in the streets against Rhee's new laws, are being arrested.

LAOS

Jan. 14—The National Assembly votes to permit the government of Premier Phoui Sananikone to fight Communist threats and to revise the constitution. It is empowered for one year to reorganize the government without legislative approval.

Jan. 18—It is revealed that Laos has protested formally to the U.N. that North Vietnamese troops have moved 10 miles into Laos.

Jan. 24—Premier Phoui Sananikone names a new Cabinet in which army officers are given posts for the first time.

LEBANON

Jan. 3—Premier Rashid Karami leaves for Cairo to visit the U.A.R. after a long period of strained relations.

LIBERIA

Jan. 24—The True Whig party, the only active political group, nominates President William V. S. Tubman for president. Tubman has been president for 15 years.

MEXICO

Jan. 27—A telephone strike adds to Mexico's communications and transportation tie-up. All major airlines have been out on strike since last week.

MONACO

Jan. 29—Prince Rainier unexpectedly dissolves the National Council and suspends the Constitution when the National Council refuses to endorse the Prince's budget.

MOROCCO

Jan. 5—King Mohammed V warns rebels in the Rif Mountains to lay down their arms within 48 hours or face cruel punishments.

Jan. 25—Leftist members of the Istiqlal (Independence) party split off and form their own organization. At mass meetings throughout the country the dissidents resolve to support Premier Abdallah Ibrahim, also a Leftist. The withdrawal of Mehdi Ben Barka, President of the National Consultative Assembly, from the Istiqlal Executive Committee yesterday is reported as the immediate cause of the mass mutiny.

Jan. 26—The split in the Istiqlal party deepens with the expulsion of several of its leading members.

Jan. 27—Mehdi Ben Barka, leader of the Leftist element, announces the establishment of the Democratic Istiqlal party.

PHILIPPINES, THE

Jan. 6—Philippine President Carlos P. Garcia and Prime Minister Abdul Rahman of Malaya end a 5-day conference with a communique advocating closer economic and cultural ties.

Jan. 20—U.S. Ambassador to the Philippines Charles E. Bohlen leaves for Washington tonight for consultation on U.S.-Filipino deteriorating relations.

Jan. 22—The Philippine Republic recalls its Ambassador to the U.S., General Carlos P. Romulo, for consultation.

RUMANIA (See *Israel*.)

Jan. 26—It is reported that Rumania permitted over 8000 Jews to emigrate to Israel this month.

SPAIN

Jan. 2—Some 94 per cent of U.S. bases in Spain are completed. The defense installations include 3 bomber bases, a naval-air base, 7 radar stations, 2 naval depots, a 485-mile underground pipe.

Jan. 13—The U.S. will sell 415,000 tons of surplus food to Spain for \$96 million in pesetas.

Jan. 14—Foreign Minister Maria Castiella heads a delegation leaving for an official visit to Cairo.

THAILAND

Jan. 28—King Phumiphol Aduldet proclaims an interim Constitution. The old Constitution was abandoned when Marshal Sarit Thanarat came to power in October, 1958.

TUNISIA

Jan. 13—A shipment of U.S. arms arrives.

Jan. 15—President Habib Bourguiba attacks France for devaluing the franc.

Jan. 29—President Bourguiba says he wants to end financial and economic ties with France.

U.S.S.R., THE

Jan. 3—The Soviet Union announces that it has launched a multi-stage rocket which is traveling towards the moon. The rocket has attained a speed of about 7 miles per second, the second cosmic speed necessary for escaping the earth's gravitational pull.

A Moscow radio broadcast says that the Russians are planning to send an expedition to the moon that will serve as a base for interplanetary flights.

Jan. 4—Anastas I. Mikoyan, First Deputy Premier, leaves for a Washington visit.

The Soviet moon shot passes the moon and appears to be heading into orbit around the sun. This will be the first artificial planet. The rocket is reported to be 343,750 miles from earth and moving some 5500-7000 miles per hour.

Jan. 5—The transmitting system aboard the Soviet rocket dies.

Jan. 12—Deputy Premier Mikoyan tells a University of California seminar, during his U.S. visit, that the Soviet Union had to abandon the commune system (which Red China has adopted) because it required economic incentives.

Mme. Maria D. Kovrigina, Minister of Health and the sole woman Cabinet member, is replaced. Mme. Kovrigina is "transferred to other work."

Jan. 13—It is reported that the Dutch government has accepted Vyacheslav M. Molotov as Soviet ambassador to the Netherlands.

Jan. 15—The annual statistical report on the Soviet economy reveals that industrial production plans have been filled and that more consumer goods were made and sold in 1958 than ever before. The Soviet Union in 1958 produced more milk than the U.S.—some 57,000,800 metric tons.

Jan. 20—Mikoyan leaves the U.S., expressing the view that his trip has added to Soviet-American understanding and thus improved the hopes for a real peace.

Jan. 25—U.S. Catholic Rev. Louis F. Dion becomes Moscow pastor. In exchange, the U.S. permits Archbishop Boris of the Russian Orthodox Church to become head of the North American diocese.

Jan. 26—Premier Nikita S. Khrushchev sees in Mikoyan's trip to the U.S. a possibility for relaxation of the cold war.

An article in the Soviet paper *Pravda* criticizes Yugoslav economic and agricultural programs.

Jan. 27—Khrushchev addresses 1375 delegates from the Soviet Union and 70 other nations, including the West, at the opening of the Twenty-first Congress of the Soviet Communist party. He tells them that the U.S.S.R. has taken the lead in outer space development and holds the world balance of power. He warns the Arabs not to persecute Communists and sharply criticizes Yugoslavia.

Jan. 28—The Soviet party congress is addressed by Chinese leader Premier Chou En-lai, Polish leader Wladyslaw Gomulka, Italian Communist Palmiro Togliatti, French Communist leader Jacques Duclos. They all hail friendship with the Soviet Union and declare that Moscow allows each foreign Communist party to choose its own policies.

Jan. 30—Mikhail G. Pervukhin and Maksim Z. Saburov, former Communist party leaders still in responsible positions, are asked to confess their "mistakes" in connection with a plot against party policy. They are named in a speech delivered at the Twenty-first Party Congress.

Jan. 31—Anastas I. Mikoyan says that the Soviet Union would like to sign a three, five or seven year trade agreement with the U.S.

THE UNITED ARAB REPUBLIC

Jan. 1—Eugene R. Black, President of the International Bank for Reconstruction and Development, opens negotiations with United Arab Republic officials to discuss the question of a settlement with Britain over the Suez crisis.

Jan. 2—Rumors of a rift between Egypt and Iraq over Syria are growing. Egypt is conducting a campaign against Syrian Communists. Iraq is supporting the Syrian Communist party.

Jan. 3—On an "indefinite stay," a 3-man committee from the U.A.R. arrives in Damascus, Syria, to supervise development projects.

Jan. 6—U.N. Secretary General Dag Hammarskjold meets with U.A.R. authorities to discuss the Israeli and Palestine refugee questions.

Italian Premier Amintore Fanfani arrives in Cairo for talks with U.A.R. President Gamal Abdel Nasser.

The Syrian Minister of Agrarian Reform, Mustafa Hamdun, is reported to have decreed further land confiscation.

Over 1 million acres have been confiscated thus far at the expense of 80 landowners.

Jan. 7—East German Premier Otto Grotewohl, in Cairo, announces that his country and the U.A.R. will establish consular relations.

Jan. 8—The West German government asks for an explanation of the U.A.R.'s recent establishment of consular relations with East Germany.

Jan. 9—The West German Ambassador to Cairo is recalled.

Jan. 14—The Germans accept the U.A.R. explanation—that diplomatic recognition was not intended by the recent agreement with East Germany concerning the establishment of trade missions—but add that participation in the construction of the Egyptian Aswan High Dam is at the present time "not actual."

Jan. 17—Egypt and Britain settle their 2-year old dispute arising out of the 1956 crisis. The terms of the agreement are not divulged.

Jan. 19—Cairo agrees to allow Jordan transit rights through Syria for shipments of Jordanian goods en route to Mediterranean ports.

Jan. 25—It is reported that the U.A.R. has conceded in part to the British request that diplomatic status be given its mission to Cairo to sign the Suez financial accord.

UNITED STATES

Agriculture

Jan. 16—The Department of Agriculture reveals that one-third of the record 1958 wheat crop—489,146,395 bushels—has been stored under federal price supports; the stored wheat is worth \$862,680,583.

Jan. 29—In his annual Farm Message to Congress, President Eisenhower urges a

utilization of surplus food for peace, and suggests that Congress should revise the farm parity program.

The Economy

Jan. 5—Secretary of Labor James P. Mitchell reports that \$4 billion was collected by 8 million unemployed persons in 1958; benefits paid were nearly double those of any previous year.

Jan. 19—President Eisenhower appeals to citizens personally on radio and television, asking Americans to oppose money appropriations he has not requested because of the danger of inflation. (See also *Government*.)

Jan. 21—The President terms critics of his \$77 billion budget "schizophrenic" because they are "on all sides" of the budget debate.

Jan. 23—By Executive Order, President Eisenhower sets up a special Cabinet Committee on Activities Affecting Prices and Costs to check on inflationary practices in the federal administration.

Jan. 31—President Eisenhower names Richard Nixon to chair a Cabinet Committee on Price Stability for Economic Growth looking into inflation difficulties; six Cabinet members are also named to the Committee.

Foreign Policy

Jan. 5—A delegation leaves for Ottawa to confer on Canadian-United States economic relations.

Soviet First Deputy Premier Anastas I. Mikoyan talks to Secretary of State Dulles for 95 minutes in Washington.

Jan. 6—Vice President Richard Nixon meets with Anastas I. Mikoyan for over 2 hours.

Jan. 14—The State Department reveals that Walter C. Dowling, U.S. Ambassador to Korea, has been called home for consultation.

Jan. 14—Secretary Dulles says that the State Department has no new plan for Germany.

Jan. 17—President Eisenhower confers with Anastas Mikoyan in Washington.

Jan. 19—Mikoyan suggests that the U.S. should reduce U.S. barriers to Russian trade. The State Department refuses this suggestion.

Jan. 29—Argentine President Arturo Frondizi arrives in New York.

Jan. 30—State Department spokesman Lincoln White says that a Hungarian note asking for restoration of normal diplomatic relations was phrased in an insulting and hostile manner.

Jan. 31—It is revealed in Washington that Secretary of State Dulles will discuss the German problem in Europe early in February.

Government

Jan. 1—Social security taxes and benefits rise under terms of 1958 amendments to the Social Security Act.

Some 200 changes in federal excise rates go into effect; it is estimated that the Government will lose about \$42 million a year in taxes.

Jan. 3—Alaska becomes the 49th state of the Union; the new flag is unveiled with seven staggered rows of 7 stars each.

Harris Ellsworth announces that he plans to leave the chairmanship of the Civil Service Commission March 1 for personal reasons.

Jan. 6—Republicans elect Representative Charles A. Halleck of Indiana to replace Joseph W. Martin, Jr., of Massachusetts as minority leader.

Democrats unanimously re-elect Sam Rayburn as Speaker, and John W. McCormack of Massachusetts as floor leader.

Jan. 7—The 86th Congress convenes; in the Senate, conservative Republicans elect Everett M. Dirksen as minority leader.

Lyndon Johnson, Senate Democratic leader, criticizes the Administration sharply for a "deficit of vigor"; a struggle over amending the filibuster rules begins.

Jan. 9—President Eisenhower delivers his 7th State of the Union Message to Congress. (For the text of this message, see pages 174-180 of this issue.)

A Senate majority—52 Senators—joins to support the admission of Hawaii as the 50th state.

Lyndon Johnson leads 40 Democrats and 20 Republicans to defeat a liberal motion aimed at the right of filibuster.

Jan. 12—Voting 72 to 22, the Senate approves Lyndon Johnson's plan for some restriction of the filibuster; in the first Senate rules change since 1949, two-thirds of senators *present and voting* may cut off or force closure of debate.

Jan. 13—The President accepts Albert Cole's resignation as Administrator of the Housing and Home Finance Agency.

Jan. 19—The President submits a balanced budget of \$77.030 billion for fiscal 1960 and asks Congress to avoid a deficit.

Jan. 29—President Eisenhower names 15 trustees for the National Cultural Center from the general public. There will eventually be 30 members of the board of trustees.

Jan. 30—Rhode Island Democrat Theodore F. Green resigns from the chairmanship of the Senate Foreign Relations Committee at the age of 91 because of defective vision and hearing.

Jan. 31—James H. Smith, Jr., resigns as director of the International Cooperation Administration.

Labor

Jan. 9—Striking pilots reach an agreement with American Airlines.

Jan. 13—It is reported that the independent International Longshoremen's Association has formally filed for re-admission into the A.F.L.-C.I.O.

Jan. 14—The United Automobile Workers reach agreement on a three-year contract with International Harvester, providing a wage increase of 6 cents an hour or 2.5 per cent of the present scale, whichever is higher. A nine week strike at International Harvester ends.

Jan. 20—President Eisenhower reports to Congress on the nation's economy, noting "the particular critical role" of labor leaders in guarding against inflation.

Senator John F. Kennedy presents a labor-management reform bill.

Jan. 22—The economic policy committee of the A.F.L.-C.I.O. says that the President has ignored the problem of unemployment and that a tight money policy may lead to stable prices "and probably stagnation and perhaps depression, too."

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Jan. 28—The President suggests a 20-item plan to curb labor-management abuses, a more comprehensive plan than that already proposed by Senator Kennedy.

Military Policy

Jan. 5—President Eisenhower discusses with congressional leaders a new defense budget estimated at about \$40.9 billion.

Jan. 16—The Administration publishes data supporting its contention that it is hard to detect underground nuclear blasts.

Jan. 24—The Atomic Energy Commission recommends that a test ban agreement with the U.S.S.R. should not include underground blasts.

Jan. 29—Secretary of Defense Neil H. McElroy says that the U.S. does not intend to compete with the U.S.S.R. in a missile race.

Jan. 30—Investigating Senators are told by government space and missile specialists that the U.S.S.R. is now able to fire a missile accurately at a target 5000 miles away.

Politics

Jan. 18—An 8-man site selection committee recommends to the National Democratic Committee that Los Angeles should be selected for the 1960 Democratic Convention.

Segregation and Civil Rights

Jan. 10—A federal judge orders the Little Rock school board to act "within its official powers" to put city-wide integration into effect.

Georgia State College is ordered by a federal court not to bar Negro applicants for racial reasons.

Jan. 12—The National Association for the Advancement of Colored People asks for nullification of the Arkansas school closing law, in a petition to a 3-judge federal court.

Jan. 14—U.S. District Judge Albert V. Bryan enjoins the Alexandria School Board, ordering an end to discrimination in pupil placement on the basis of race.

Jan. 15—Federal District Court Judge Frank M. Johnson, Jr., orders Alabama Judge George C. Wallace to explain why he should not be held in criminal contempt because of his refusal to allow the Civil

Rights Commission to examine voter registration records.

Jan. 19—The Virginia Supreme Court of Appeals rules 5 to 2 that Virginia's school segregation laws are in violation of the Virginia constitution.

In Norfolk, Virginia, a 3-judge federal court holds that Virginia's school closing laws are in violation of the U.S. Constitution.

Jan. 23—A federal court of appeals rules that 4 Negro children must be admitted to an Arlington, Virginia, junior high school starting February 2.

Jan. 28—Virginia's Governor J. Lindsay Almond, Jr., tells the Virginia legislature he cannot prevent desegregation of public schools in Norfolk, Arlington and Charlottesville.

Jan. 29—Federal Judge Simon E. Sobeloff allows a delay in school integration in Charlottesville, Virginia, and refuses a delay for Arlington County, Virginia.

The Norfolk School Board decides that six Norfolk high schools will open February 2 on a racially integrated basis.

Jan. 31—Supreme Court Chief Justice Earl Warren refuses to grant an Arlington, Virginia, request to permit delay in racial integration.

The Virginia General Assembly passes several measures to cushion compulsory integration, including repeal of compulsory attendance requirements.

VATICAN, THE

Jan. 25—Pope John XXIII announces that he plans to call an ecumenical council of all Christian churches, Eastern and Western, to promote Christian unity. This will be the first general church conference since 1869-1870.

YUGOSLAVIA

Jan. 25—President Tito, touring the neutralist Asian bloc, says that these nations are firmly "uncommitted and independent."

Jan. 29—Belgrade reveals that in a trade pact signed yesterday in Moscow, Yugoslav-Russian trade for 1959 will be \$16 million less than last year.

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